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Part 47
Aircraft Registration

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Part 47—Aircraft Registration

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Part 47—Aircraft Registration

Adopted: March 10, 1966 **Effective: May 1, 1966**

(Published in 31 F.R. 4494, March 17, 1966)

The purpose of this revision is to delete from Parts 47 and 49 the acknowledgment requirement of section 503(e) of the Federal Aviation Act of 1958; to introduce new forms adapted to computer processing of Certificates of Aircraft Registration; to allow the recording and use of true copies; and to make clarifying and editorial changes. Since almost all of Part 47 is affected, it is being republished in revised form at this time.

P. L. 88-346 amended section 503(e) of the Federal Aviation Act of 1958, and added section 506 to the Act. Amended section 503(e) allows the Administrator to make exceptions by regulation to the requirement that a conveyance or other instrument be acknowledged before it is recorded. New section 506 resolves a problem of conflicts of law by providing that the law of the place of delivery (within the United States) of an instrument governs the validity of the instrument. Also, section 506 creates a presumption that, when the place of intended delivery is stated in an instrument, the instrument was delivered at that place.

The Agency is implementing amended section 503(e) by deleting the acknowledgement requirement from Parts 47 and 49. In concluding that an acknowledgment is an unnecessary condition for recording, the draftsmen of the Uniform Commercial Code have stated: "This section departs from the requirements of many chattel mortgage statutes that the instrument filed be acknowledged or witnessed or accompanied by affidavits of good faith. Those requirements do not seem to have been successful as a deterrent to fraud: their principal effect has been to penalize good faith mortgagees who have inadvertently failed to comply with the statutory niceties. They are here abandoned in the interest of a simplified and workable filing system." (Comment 3, § 9-402 of the Uniform Commercial Code.) This reasoning applies to the National Aircraft Recording System. In addition, since the lack of an acknowledgment results in the rejection of a substantial number of instruments submitted under Parts 47 and 49, the acknowledgment requirement constitutes an unnecessary burden on the public. Of course, the parties must look to applicable local law to determine whether acknowledgment is required for an instrument to be valid (as opposed to recordable). Accordingly, § 49.13(c) is amended to state that acknowledgment is not required. The conflicts of law rule and presumption of delivery in new section 506 is reflected in amended § 49.17(c).

As a result of the introduction of computers at the FAA Aircraft Registry, it will be possible to issue nearly all Certificates of Aircraft Registration in less than 30 days. FAA Forms 500, 500-2, and 500-3 have been revised for use in computer processing. FAA Form 500-1 (Temporary Certificate of Aircraft Registration) has been abolished. These new forms are FAA Form 8050-1, "Application for Aircraft Registration", FAA Form 8050-2, "Aircraft Bill of Sale" (a suggested use form), and FAA Form 8050-3, "Certificate of Aircraft Registration". As in the past, the applicant would carry a duplicate copy of the Application for Aircraft Registration as temporary operating authority that is valid for no more than 30 days. If for any reason, the FAA Aircraft Registry cannot issue the Certificate of Aircraft Registration within the 30 day period, it will issue a letter of extension. The letter serves as authority to continue to operate the aircraft when it is carried in the aircraft with the copy of the Application.

As now written, § 49.33(c) permits the recording of a "certified copy" of a document when neither the original nor a duplicate original is available. In effect, a person who wishes to record a document at the FAA Aircraft Registry in such a situation is forced to first record the instrument under local law, to have a certified copy prepared, and to submit the certified copy to the FAA Aircraft Registry. This is an unnecessary burden. In the light of the sanction of section 1001 of Title 18 of the United States Code, the Agency will accept true copies of documents when the person submitting them attaches his certificate of true copy as provided in § 49.21, and § 49.33(c) is amended to permit this practice.

Other clarifying amendments are adopted. Parts 47 and 49 are amended to use the phrase "evidence of ownership" rather than "proof of ownership", since the Agency issues a Certificate on the basis of the "evidence" an applicant submits with his application. In several sections, the applicant is required to submit a "verified instrument". Since this language has resulted in several inquiries as to what is required, these sections are amended to require an "affidavit". On March 13, 1965, the Agency published its Organization Statement in the Federal Register (30 F.R. 3395). Paragraph 5(c)(2) of Subpart B, "Agency Organization", states that the "FAA Aircraft Registry" administers Parts 47 and 49 (30 F.R. 3399). Sections 47.19 and 49.11 are amended to reflect this designation, and to add the Post Office Box number to the address. None of the other editorial and clarifying changes to Part 47 made at this time involves any substantive change. Section 47.69(d)(1) is amended in conformity with outstanding interpretations to clarify that it relates to flight testing of aircraft only.

This amendment relaxes and clarifies existing requirements and does not impose additional burdens on any person. Therefore, the Agency finds that notice and public procedure thereon are not necessary.

In consideration of the foregoing, effective May 1, 1966, Part 47 is revised and Part 49[1] is amended as hereinafter set forth.

The reporting and recordkeeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942 (5 U.S.C. 139–139f).

These amendments are made under the authority of sections 307(c), 313(a), 501, 503, 505, 506, and 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1348(c), 1354(a), 1401, 1403, 1405, 1406, and 1502), and the Convention on the International Recognition of Rights in Aircraft (4 U.S.T. 1830).

[1] Part 49 is published separately.

Amendment 47–1

Assignment of Identification Numbers

Adopted: October 7, 1966 **Effective: November 13, 1966**

(Published in 31 F.R. 13313, October 14, 1966)

The purpose of this amendment is to centralize the issuance of all United States aircraft registration numbers in the FAA Aircraft Registry at Oklahoma City in order to reduce costs and improve control of United States identification numbers. It was proposed by Notice of Proposed Rule Making 66–22 of June 2, 1966 (31 F.R. 8077). The proposed changes only affect those persons (other than aircraft manufacturers) who need to obtain U.S. registration numbers for aircraft not previously registered anywhere. These numbers are now obtained from the FAA District Offices. Under the amendment they will be obtained by mail from the FAA Registry.

All comments received on the Notice have been fully considered. The only unfavorable comment stated that the new procedure would place an additional burden on amateur aircraft builders. However, FAA District Offices from which the registration number was formerly obtained are still available to the amateur builder for assistance, in any case in which it is needed, in obtaining registration numbers from the FAA Registry. In the

ordinary case, the amateur builder will have ample time to attend to this matter during the building of his aircraft. Any additional burden on the amateur builder would therefore be so slight that, on balance, the public interest is furthered by adoption of this proposal.

A comment suggesting that the term "identification number" be changed is not germane to this project but will be given consideration in the future.

In consideration of the foregoing, Part 47 of the Federal Aviation Regulations (14 CFR Part 47) is hereby amended, effective November 13, 1966.

This amendment is made under the authority of sections 307(c), 313(a), 501, 503, 505, and 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1348(c), 1354(a), 1401, 1403, 1405, and 1502), and the Convention on the International Recognition of Rights in Aircraft (4 U.S.T. 1830).

Amendment 47–2

Validity of Powers of Attorney

Adopted: December 6, 1966 **Effective: August 18, 1966**

(Published in 31 F.R. 15349, December 8, 1966)

The purpose of these amendments is to relieve the limitations imposed by §§ 47.13(g) and 49.13(d) on authorizations for a person to sign for another, including powers of attorney. As currently written, both sections limit the validity of these authorizations, for the purposes of registration of aircraft and recordation of aircraft titles and security documents, to a period of two years. However, the validity of authorizations submitted before August 18, 1964 was preserved until August 18, 1966. The two-year validity requirements of §§ 47.13(g) and 49.13(d) were imposed solely for the purpose of improving the efficiency of the Agency's registration and recordation systems by purging obsolete records. They were in no way intended to affect the validity of the documents as between any private persons involved.

The Agency has now discovered that the requirements of §§ 47.13(g) and 49.13(d) have been overlooked by some persons and that a number of documents filed since August 18, 1966, were signed by persons whose authorizations were more than two years old. Accordingly, while otherwise the authorizations, on their face, were in full force and effect, they did not meet the procedural requirements imposed by §§ 47.13(g) and 49.13(d). One method of partially correcting this situation would be to have the principals issue new authorizations and have each document in question re-executed. However, this process would be onerous and time consuming, especially in cases where action by a corporate board of directors would be required, and would not have any retroactive effect. Another alternative would be to leave the documents as recorded with the question unsolved. This method is rejected as likely to create more problems in the future, thereby necessitating a more complex solution in the future. Therefore, the purpose of this amendment is to remove a procedural requirement that does not affect the substantive validity of any document. The amendments are made effective retroactively to August 18, 1966 to correct the administrative deficiency and to generally extend the validity of authorizations until August 18, 1967.

The intent of the amendments is to specifically validate each recording or filing, under Part 47 or 49* of the Federal Aviation Regulations, of any document that would otherwise be technically ineligible for recording or filing by operation of § 47.13(g) or § 49.13(d) as they read immediately before the date of adoption of these amendments.

These amendments do not postpone or otherwise affect the expiration date of any power of attorney or other authorization beyond the time fixed by its terms or otherwise. In addition, they in no way constitute Agency disposition of the proposal to amend § 47.13 in the Notice of Proposed Rule Making 66–27 of July 26, 1966 (31 F.R. 10282). Since these amendments are procedural in nature, and relieve a restriction, notice and public procedure thereon are unnecessary and the effective date provisions of 5 U.S.C. § 553(d) do not apply.

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*Part 49 is published separately.

In consideration of the foregoing, Chapter I of Title 14 of the Code of Federal Regulations is hereby amended effective August 18, 1966.

These amendments are made under section 313(a) and Title V of the Federal Aviation Act of 1958 (49 U.S.C. 1354, 1401–1406).

Amendment 47–3

Aircraft Registration: Miscellaneous Changes

Adopted: April 24, 1967 **Effective: June 1, 1967**

(Published in 32 F.R. 6553, April 28, 1967)

The purpose of this action is to dispose of the proceedings instituted by Federal Aviation Agency Notice of Proposed Rule Making 66–27, Changes in Certain FAA Aircraft Registry Procedures (31 F.R. 10282; Docket 7523). Notice 66–27 proposed to limit the activities of the FAA Aircraft Registry to those essential to the discharge of its legally required functions, for the purposes of simplifying and speeding procedures and further increasing the efficiency and reducing the operating costs of the Registry. The principal specific proposals were (1) severance, to the extent possible, of the interrelationship between aircraft registration and recordation of rights in aircraft; (2) permitting registration to continue (for purposes other than operation of the aircraft) in a former owner's name as long as title remained in a U.S. citizen, and correspondingly permitting recordation of documents indicating ownership in a U.S. citizen other than the holder of the last-issued registration certificate; and (3) discontinuation of the "chain of title" requirement. The Notice set forth the actual changes proposed in the text of the regulations and explained them in detail.

Certain comments received indicated a belief that the Agency intended the proposed changes to diminish the nation-wide notice effect of recordation under section 503(d) of the Federal Aviation Act (49 U.S.C. 1403(d)), and the protection from unrecorded prior claims that section 503(c) (49 U.S.C. 1403(c)) affords to persons acquiring rights in aircraft without actual knowledge of those claims. These changes were not intended, and the FAA has no authority under the Federal Aviation Act to make them. Contrary to suggestions in other comments, the FAA has no authority to require the recording of a lien by a holder in any case in which section 503(c) and (d) does not induce him to record it.

A number of comments were received that expressed disagreement with the proposals on practical grounds and as a matter of policy. These comments indicated considerable sentiment in the aviation community for an increase rather than a decrease in the level of its services the FAA should perform in this area. Thus, several comments suggested that FAA should issue title certificates or prima facie evidence of title as do the motor vehicle departments of some States. Other comments suggested implementation of section 503(g) of the Federal Aviation Act, which authorizes (but does not require) the Administrator to provide for the endorsement of title information on aircraft certificates and for other facilitation of determining rights in aircraft.

The comments received almost unanimously opposed the proposal to eliminate the chain of title requirement. The proposal to allow aircraft to remain registered in the name of a former owner for non-operative purposes drew more opposition than support, and the proposal to sever the connection between registration and recordation of rights was also opposed by many of the comments.

In light of these comments, the FAA has determined that a further study of these matters is necessary before determining what policy it will adopt. If, after further study of the matter, the FAA determines to propose further changes to the rules in this area it will issue a new notice of proposed rule making. Those parts of Notice 66–27 that are not adopted as rules by this action are hereby withdrawn.

However, the proposed amendments to §§ 47.13 and 47.47 are substantially adopted at this time. At present § 47.13(d) requires submission of a copy of an authorization from the Board of Directors of a corporation if a person other than the president, vice-president, treasurer or secretary signs for the corporation, and this requirement is made applicable to the recordation of conveyances by § 49.13(b). The Notice proposed deletion of the requirement for submission of an authorization from the Board of Directors and acceptance by the Registry of a conveyance signed by any "authorized person" who has any "title" of an "office" in the corporation. One comment opposed this change on the ground that it could mislead third persons to rely on the action of an agent of a corporation who is actually exceeding his authority. In light of this comment § 47.13(d) is amended to extend the present rule applicable to the four named corporate officers to all persons holding a corporate office or managerial position in the corporation, but not to outside agents.

The proposed amendment of § 47.47(b) is being adopted so far as it codifies the existing practice protecting lien holders in compliance with the Convention on the International Recognition of Rights in Aircraft (4 U.S.T. 1830) of which the United States is a member.

In addition, as an editorial matter §§ 47.19 of Part 47 and 49.11 of Part 49 are amended to reflect the correct address of the FAA Registry.

In consideration of the foregoing, FAR Parts 47 and 49* (14 CFR Parts 47 and 49) are amended, effective June 1, 1967.

These amendments are made on the authority of sec. 313 and Title V of the Federal Aviation Act of 1958 (49 U.S.C. 1354, 1401 et seq.).

* Part 49 is published separately.

Amendment 47–4

Three-Digit and Temporary Registration Numbers

Adopted: August 22, 1967 **Effective: September 29, 1967**

(Published in 32 F.R. 12555, August 30, 1967)

These amendments to Parts 45 and 47 provide specifically for the use of temporary registration numbers, sometimes called "fly-away" numbers. This action is taken on the basis of Notice 66–40 that was published in the Federal Register on November 18, 1966 (31 F.R. 14686).

Notice 66–40 proposed to provide specifically for the use of "fly-away" numbers, and to reserve three-digit aircraft identification numbers for use on FAA aircraft and as "fly-away" numbers.

The comments generally favored the portion of the proposed amendment that specifically provided for the use of "fly-away" numbers. In finalizing the amendment, these provisions were placed in a new section, 47.16, for editorial reasons. This new section also includes, in paragraph (a), a general description of "fly-away" numbers.

Two comments were received that opposed the proposed requirements that no "fly-away" number could be assigned to, or displayed on, more than one aircraft at the same time and that records of each assignment of such a number to an aircraft be kept for one year. It was contended that adoption of these proposals would cause an economic and administrative hardship on aircraft manufacturers and it was therefore requested that the existing system of issuing only one "fly-away" number to each manufacturer or aircraft dealer be retained.

Under the present practice, several aircraft of a given manufacturer are identified on delivery flights by the same identification number but the radio call number used consists of that number plus the last two digits of the aircraft serial number. Since there can be several aircraft in flight at the same time with the same identification number, it is possible that a duplication of aircraft radio call numbers could occur. Because of this, the agency has determined that the proposal requiring a different "fly-away"

number for each aircraft in flight is necessary to ensure safety, and therefore that portion of the proposal is adopted as proposed in the Notice. Upon further consideration it appears that the record-keeping requirements contained in the Notice are unnecessary for the use of "fly-away" numbers on purely domestic flights since the records normally kept by manufacturers and dealers will provide sufficient documentation. However, the records required in the Notice are considered necessary for non-domestic flights with "fly-away" numbers which are being authorized for the first time by this amendment. Therefore, the holders of "fly-away" numbers will be required to keep a record, for FAA inspection, of the assignment of each number to an aircraft on flights for delivery outside the United States. For these non-domestic flights the airworthiness certificate and the Dealer's Aircraft Registration Certificate, both carried in the aircraft, will furnish documentation as complete as a regular certificate of aircraft registration. Section 47.16(d) reflects these changes.

The intent of Notice 66–40 was to provide for the assignment of fly-away numbers only in connection with Dealer's Aircraft Registration Certificates, and the proposed Notice so provided. To avoid the possibility of any confusion as to this intent, a sentence has been added to § 47.16(d) to specifically state the rule (inherent in Notice 66–40) that the assignment of any fly-away numbers to a person automatically lapses upon the expiration of all of that person's Dealer's Aircraft Registration Certificates. The provision limiting the fly-away numbers assigned to any person to those "necessary for his business" means, of course, that as many may be assigned as are reasonably needed for the conduct of the activities specified in § 47.61. Finally, the scope of the permitted use of these numbers has been stated more explicitly in § 47.16(c).

A number of comments opposed any limitation on the issuance of one to three symbol numbers. Several of these comments also contended that there would be no useful purpose served by specifically issuing one to three symbol numbers to "fly-away" users. In response to these comments, the FAA has determined that five symbol numbers can be acceptably used as "fly-away" numbers. In addition, further study of the rules governing the issuance of one to three symbol numbers is considered necessary. Therefore, the portion of Notice 66–40 that relates to one to three symbol numbers is being withdrawn pending further study.

The current acceptable procedure for the use of identification marks for export aircraft is contained in section 1.109–1 of the Civil Aeronautics Manual, as continued in effect by Advisory Circular 20–33, dated February 8, 1965. This procedure is superseded by this amendment.

In consideration of the foregoing, Parts 45 and 47 are amended, effective September 29, 1967.

These amendments are made on the authority of sections 307(c) and 313 and Title V of the Federal Aviation Act of 1958 (49 U.S.C. 1348, 1354, 1401 et seq.); and 49 CFR 1.4(b) (32 F.R. 5607).

NOTE.—The record-keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Amendment 47–5

Technical Amendments

Adopted: September 21, 1967 **Effective: September 29, 1967**

(Published in 32 F.R. 13505, September 27, 1967)

The purpose of these amendments is to update the address of the FAA Aircraft Registry and to correct a technical error in Amendment 47–4 which was printed in the Federal Register on August 30, 1967 (32 F.R. 12555).

The address of the FAA Aircraft Registry contained in § 47.19 of Part 47 and § 49.11 of Part 49 is amended by addition of a reference to the Department of Transportation

to reflect the position of the Federal Aviation Administration as a component of the Department. Section 47.15(a) is being restated in its correct form.

The procedural requirements of 5 U.S.C. § 553 do not apply to this amendment because it merely makes editorial changes and corrects an inadvertent error.

In consideration of the foregoing, Parts 47 and 49 are amended, effective September 29, 1967.

Amendment 47–6

Temporary Authority to Operate: Extension of Validity Period

Adopted: December 26, 1967 **Effective: January 3, 1968**

(Published in 33 F.R. 11, January 3, 1968)

The purpose of this amendment to Part 47 of the Federal Aviation Regulations is to relax and clarify § 47.31(b) by making the temporary authority to operate without registration valid for 90 days, rather than for 30 days, after the application is signed.

After an applicant submits an Application for Aircraft Registration under § 47.31(a), § 47.31(b) requires him to carry the second duplicate copy (pink) in the aircraft as temporary authority to operate it without registration. This authority is valid until the date the applicant receives the Certificate of Aircraft Registration, or until the date the FAA denies the application, but in no case for more than 30 days after the date the applicant signs the application. If the FAA neither issues the Certificate nor denies the application within 30 days, it issues the applicant a letter of extension.

Issuing a letter of extension, whenever the FAA is unable to complete processing an Application for Aircraft Registration within 30 days, places a considerable administrative burden on the agency. Several factors may combine to prevent final FAA action within 30 days, including variations in the rate at which applications are received, defective applications, and mechanical problems. To substantially reduce or eliminate the present administrative burden, the FAA is amending § 47.31(b) to make the temporary authority to operate valid for 90, rather than 30, days. Also, § 47.31(b) is clarified to reflect the fact that the temporary authority to operate only authorizes operation "without registration" under section 501(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1401(a)).

Finally, the FAA is adding new § 47.31(c) that makes the new 90-day validity period applicable to each application signed after October 5, 1967. This transitional provision eliminates the need to issue letters of extension to applicants whose applications were signed less than 90 days before the effective date of this amendment, and provides them with temporary authority to operate for what remains of the 90-day period. Applicants whose applications were signed 90 days, or more, before the effective date of this amendment will be issued letters of extension, if the FAA has not taken final action. New § 47.31(c) also allows the applicant to change the notation on obsolete FAA Form 8050–1 from 30 to 90 days. This will enable the FAA to exhaust its supply of those forms.

This amendment imposes no additional burden on any person and relieves a restriction in Part 47 of the Federal Aviation Regulations. Therefore, I find that, under section 553 of Title 5, United States Code, notice and public procedure are unnecessary and this amendment may be made effective upon publication in the Federal Register.

In consideration of the foregoing, effective January 3, 1968, Part 47 of the Federal Aviation Regulations is amended.

This amendment is made under the authority of sections 313(a), 501, and 1001 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1401, and 1481).

Amendment 47–7

Provision for Unrestricted Issuance of Identification Numbers Consisting of One to Three Numbers and Two Suffix Letters

Adopted: February 17, 1969 **Effective: February 21, 1969**

(Published in 34 F.R. 2480, February 21, 1969)

The purpose of this amendment of § 47.15(b) of the Federal Aviation Regulations is to provide for the assignment of aircraft identification numbers consisting of one to three numbers and two suffix letters, without the currently imposed restrictions.

Section 47.15(b) now states that in addition to the prefix letter "N" an identification number may not exceed five symbols consisting of all numbers, or one to four numbers and a suffix letter, or one to three numbers and two suffix letters. However, under the present procedures if the FAA has assigned an identification number consisting of one to three numbers and one suffix letter, e.g. N100A, an identification number consisting of the same three numbers and the same suffix letter with the addition of a second suffix letter, e.g. N100AB, cannot be assigned except that the holder of a Certificate of Aircraft Registration may apply to the FAA Aircraft Registry for permission to add a second suffix letter to the number already assigned to his aircraft.

Under the procedure presently contained in § 47.15(b), there have been available for assignment a total of about 339,000 identification numbers, of which only approximately 164,000 numbers have not yet been assigned. Since in the past few years general aviation aircraft production has doubled, and it is expected that about 140,000 new aircraft will be manufactured in the next 6 years, the number of identification numbers available for assignment does not appear to be sufficient to meet the needs forecast for the next few years. If, however, identification numbers consisting of one to three numbers and two suffix letters are assigned without the restrictions contained in § 47.15(b), the present supply of identification numbers would increase to about 739,000.

This amendment, therefore, removes the restrictions on the assignment of identification numbers consisting of one to three numbers and two suffix letters, currently set out in the last three sentences of § 47.15(b).

Since this amendment is procedural in nature, and does not impose a burden on the public, I find that notice and public procedure thereon are not necessary, and that it may become effective on less than 30 days notice.

In consideration of the foregoing, § 47.15(b) of the Federal Aviation Regulations is amended, effective February 21, 1969, by deleting the last three sentences therefrom.

This amendment is issued pursuant to the authority contained in Sections 307(c), 313(a), 501, 503, 505 and 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1348(c), 1354(a), 1401, 1403, 1405, and 1502) and Section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Amendment 47–8

Provision for Transfer or Reservation by Current Owner of Assigned One to Three Symbol Identification Number

Adopted: July 16, 1969 **Effective: July 24, 1969**

(Published in 34 F.R. 12214, July 24, 1969)

The purpose of this amendment of § 47.15(g) of the Federal Aviation Regulations is to permit the transfer or reservation of an assigned one to three symbol aircraft identification number at the request of the current owner.

Section 47.15(g) now states that the owner of an aircraft need not surrender a one to three symbol identification number that was assigned to his aircraft before August 18, 1964. Under the present interpretation of § 47.15(g), its provisions are applicable only to the person to whom the aircraft was registered on August 18, 1964. A subsequent

owner is not permitted to transfer the number to another aircraft he owns, or reserve the number for later assignment. Therefore, each time an aircraft owner requests the transfer or reservation of a one to three symbol identification number assigned to his aircraft, the Aircraft Registry must make a search of the records to determine if that person is the "owner" referred to in § 47.15(g).

The amendment provides that regardless of when the aircraft was registered in his name, the current aircraft owner need not surrender a one to three symbol identification number assigned to the aircraft, but may apply for reassignment of that number to another aircraft he owns or for reservation of the number for later assignment.

The amendment would not be applicable to those one to three symbol identification numbers which have been assigned in accordance with § 47.15(e). An applicant under § 47.15(e) must show that the structural configuration or design of the aircraft prevents the placing of a larger number on his aircraft. Therefore, an aircraft owner would have no future need for the number unless he would subsequently acquire an aircraft that would meet the structural configuration or design requirements of § 47.15(e). In such case, § 47.15(e) would again be available to him.

The present supply of one to three symbol identification numbers consist of approximately 640 numbers. The numbers which have been presently assigned are not included in this figure, and therefore, amending § 47.15(g) would not adversely affect the present supply.

Under the present procedure, when a current owner's request for reassignment or reservation is denied, an explanation for such denial is given. Exemption procedures are also available under the Federal Aviation Regulations whereby exemptions are requested to permit the transfer or reservation of the number assigned to the current owner of the aircraft. These procedures, as well as the search of the records that must presently be made, are time consuming and costly to both the aviation public and the Aircraft Registry.

Since this amendment is procedural in nature, and does not impose a burden on the public, I find that notice and public procedure thereon are not necessary, and that it may become effective on less than 30 days notice.

In consideration of the foregoing, Section 47.15(g) of the Federal Aviation Regulations is hereby amended, effective July 24, 1969.

This amendment is issued pursuant to the authority contained in sections 307(c), 313(a), 501, 503, 505 and 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1348(c), 1354(a), 1401, 1403, 1405 and 1502), section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)), and § 1.4(b)(1) of the Regulations of the Office of the Secretary of Transportation.

Amendment 47–9

Clarification on Recordings and Dealers' Aircraft Registration Certificates

Adopted: January 13, 1970 **Effective: January 21, 1970**

(Published in 35 F.R. 801, January 21, 1970)

The purpose of these amendments is to clarify certain provisions of Parts 47 and 49 of the Federal Aviation Regulations. Part 47 is amended to clarify the use of the Dealers' Aircraft Registration Certificates, and to provide that a person must be a United States citizen to be eligible to hold a dealer's certificate. Part 49 is amended to accommodate all recordings required by the Act against certain aircraft engines, aircraft propellers and spare parts.

The present implication of § 47.61(a)(1) is that a dealer's certificate may be used in aircraft which are under production by holders of type certificates in conjunction with a Special Flight Permit. Thus, any experimental or prototype aircraft of a manufacturer would be excluded by application of the section. However, under §§ 47.61(b) or 47.69(d)(1), a dealer would not be precluded from using a dealer's certificate for

such aircraft. This matter is clarified by amending § 47.61(a)(1) so that manufacturers issued Dealers' Aircraft Registration Certificates are allowed to make any required flight tests of aircraft.

Section 505 of the Federal Aviation Act (49 U.S.C. 1405) provides for dealers' certificates and their use in connection with aircraft eligible for registration under the Act. The Act further requires in § 501 (49 U.S.C. 1401) that an aircraft shall be eligible for registration if, but only if, it is owned by a citizen of the United States. "Citizen of the United States" is defined in § 101(13) of the Act (49 U.S.C. 1301(13)). Section 47.65 is amended to conform with § 505 of the Act to provide that a person must be a United States citizen to be eligible for a Dealers' Aircraft Registration Certificate.

Sections 49.41(a) and 49.51(a) as they presently read appear to include as a requirement for the recordation of certain listed conveyances or liens that such instruments be executed for security purposes. These sections taken alone would appear to exclude the recordation of a lease not executed for security purposes. The Act in section 503(2) and (3) (49 U.S.C. 1403(2) and (3)) specifically provides for the recordation of "any lease", as well as mortgages, equipment trusts, etc., and other instruments, executed for security purposes and affecting the title to, or interest in, certain aircraft engines, aircraft propellers and spare parts. Although such leases are accepted for recordation by the aircraft registry as being within the purview of the Act, the regulations are not clear in this regard. As persons in the past may have relied upon the wording of sections 49.41(a) and 49.51(a) these sections are amended so that, except for the provision concerned with notice of tax lien or other lien, the wording of the sections more closely conforms with the language of the Act.

Section 49.53(a)(2) as it presently reads, requires that one of the parties to the conveyance, submitted for recording under Part 49, Subpart E, must be an air carrier. However, the Act (49 U.S.C. 1403(a)(3)) does not require an air carrier to be a party to the mortgage, lease or other instrument for it to be recordable, but only requires that the aircraft engines, propellers or appliances sought to be recorded against be maintained by or on behalf of an air carrier certificated under § 604(b) (49 U.S.C. 1424(b)) of the Act. The language of the regulation imposes restrictions not imposed by the statute and appears to preclude recordation of instruments filed for recordation under Subpart E when the air carrier is not a party to the instrument.

The amendment to § 49.53(a) allows the recordation of conveyances affecting the title of engines and spare parts maintained by or on behalf of air carriers, although the air carrier for whom they are being maintained is not a party to the transaction. The amendment also requires that such conveyances shall be accompanied by a statement from the air carrier certificated under § 604(b) of the Act (49 U.S.C. 1424(b)).

Since this amendment is clarifying in nature, and does not impose a burden on the public, I find that notice and public procedure thereon are not necessary and that it may become effective on less than 30 days' notice.

In consideration of the foregoing, Parts 47 and 49 of the Federal Aviation Regulations are hereby amended, effective January 21, 1970.

This amendment is issued pursuant to the authority contained in sections 307(c), 313(a), 501, 503, 505, and 1107 of the Federal Aviation Act of 1958 (49 U.S.C. 1348(c), 1354(a), 1401, 1403, 1405, and 1507), section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)), and section 1.4(b)(1) of the Regulations of the Office of the Secretary of Transportation.

Amendment 47–10

Aircraft Registration Eligibility, Identification, and Activity; and Certain Enforcement Procedures

Adopted: January 6, 1970 **Effective: March 7, 1970**

(Published in 35 F.R. 2578, February 5, 1970)

The purpose of these amendments to Parts 47 and 91 of the Federal Aviation Regulations is to provide for obtaining updated knowledge as to registration eligibility, identification, and activity of aircraft, by the means of new and modified reporting provisions.

The amendments to Part 13 add procedures for suspending or revoking issued certificates of aircraft registration in appropriate circumstances.

These amendments were proposed in Notice 69-37, and published in the Federal Register on September 5, 1969 (34 F.R. 14079). Approximately one-quarter of the nearly 100 public comments received on the Notice supported the proposals. The remainder of the comments opposed the proposals upon grounds that fall generally into categories that are stated and answered as follows:

(1) *The information is presently available, or present procedures can be expanded to procure the needed data.* Approximately one-half of the public comments received urged that FAA Form 8320-3 (Aircraft Use and Inspection Report) and existing reporting procedures for air carrier aircraft either allow, or can be used for, the collection of the needed information; or that all or most of the requested information is available from the Federal Communications Commission, State aviation agencies, or aviation industry organizations.

(a) The information presently collected by the use of FAA Form 8320-3 does not meet the needs of the FAA, as stated in Notice 69-37, since the form does not apply to the entire aircraft fleet, and since it does not require activity data from the owner, who is more familiar with data on aircraft activity than the persons who periodically inspect the aircraft and who must execute that form. Also, the information provided by FAA Form 8320-3 does not break down the number of hours flown by use categories (purpose of flight), an element that is needed for development of safety measures, as stated in Notice 69-37.

(b) With respect to aircraft operated under Parts 121 and 127, the amendment to Part 91 now issued concerns only reporting of the make and model of the engines installed in the aircraft, since the other information sought by new § 91.53 is obtained from other sources concerning those aircraft.

(c) The FAA considered expanding FAA Form 8320-3 to include the needed additional data elements before issuing Notice 69-37, and it determined that the procedures now adopted provide a more adequate alternative.

(d) Not all of the requested information on communications equipment is available from the Federal Communications Commission. Also, the records maintained by that agency cannot practicably be correlated with individual aircraft records.

(e) Information collected through the FAA aircraft registration system is made available to most State governments and to aviation industry organizations. Information available from those sources would be the same information already provided to them, therefore they would not be fruitful sources for the additional information now sought.

(2) *Collection of the information will cause an increase in the workload and costs of the FAA that in turn will be passed on to the public, will create an unnecessary reporting burden on the aviation public, and may result in imposing additional filing or user fees.*

(a) Very little increase in the workload and costs of the FAA will result from the new provisions. A purification of FAA files of records on aircraft no longer eligible for registration will be allowed, with an accompanying decrease in total workload.

(b) The increased reporting burden on the aviation public will be minimal, consisting of information on communications and navigational aids capability of equipment in aircraft, and on hours flown and purpose of flight. Also, as stated in Notice 69-37, the FAA expects to furnish a pre-printed form with all available aircraft data on record to the registered owners, and the latter will be expected only to verify the information that has not changed since the previous reporting, correct any changed items, and supply the additional information.

(c) The proposed rule changes do not contemplate a fee for annual reporting nor any user charges.

(3) *The information will be of little or no value to the aircraft owner or to the public.* The needs of the FAA for the information to be sought under the new provisions are expressed in Notice 69-37, that is, the need for the capability to properly maintain the FAA Aircraft Registry and to limit continued aircraft registration to eligible persons, and the need for adequate knowledge on identification and activity of U.S. registered civil aircraft. As stated there, the result should be a more efficient, safe air traffic

system that responds to the needs of the public, as well as greater efficiency of FAA internal management.

(4) *Collection of the information will be an invasion of privacy of the reporting public.* Collection of the information is not considered to be an invasion of privacy. Section 311 of the Federal Aviation Act of 1958 empowers and directs the Administrator to collect and disseminate information relative to civil aeronautics and, as stated in Notice 69–37, section 312 of the Act directs the Administrator to make long range plans for and formulate policy with respect to the orderly development and locating of landing areas, Federal airways, radar installations and all other aids and facilities for air navigation.

(5) *Some features of the enforcement provisions for violations of new §47.44 are unfair to the aviation community as a whole, are illegal, or should concern only willful failure to submit required information.*

(a) From the known situation concerning the accuracy of the present aircraft registration records, the number of aircraft owners not complying with the regulations is large. This situation has been further substantiated by the results of a sample test conducted since issuing the Notice. The new provisions are not an unfair punishment of the entire aviation community for the failure of a few aircraft owners to comply, as asserted by some commentators, but rather an exercise of the responsibility of the FAA. Objectives of these provisions cannot be fully attained under the regulations as they have previously existed.

(b) Title V of the Federal Aviation Act of 1958 provides the statutory basis for new § 47.44, and for the application of the new enforcement procedures in Part 13.

(c) To limit certificate action to instances where FAA has positive proof of willfulness by a registered owner in refusing or failing to comply, would defeat the purposes of the new provisions as stated in Notice 69–37. Also, such a limitation would be inconsistent with section 501(e) of the Act that authorizes the Administrator to suspend or revoke any aircraft registration certificate for any cause that renders the aircraft ineligible for registration. The FAA expects to publicize the new rules extensively, and it is considered that this will greatly diminish the possibility of inadvertent non-compliance.

(d) In comments on the provisions for enforcement procedures, it was asserted that the required information should be collected on a voluntary basis. However, it has been found that a voluntary basis for reporting on aircraft registration does not meet the needs of the FAA as stated in Notice 69–37.

(6) *The information should be sought from lessees, not lessor owners of aircraft.* It was asserted that air carriers should be allowed to submit information for their aircraft leased from banks or other financial institutions. However, it is appropriately the responsibility of the owner, the person in whose name the aircraft is registered, to complete the form annually, as well as to obtain any needed information from his lessee. Also, it must be noted that, with one exception, Part 2 data is not requested by new § 91.53 for Part 121 or 127 operations.

(7) *Some procedure should be provided to protect a lessee if his lessor defaults.* This would appear to be a matter properly to be taken care of between the parties.

The suggestions made by a number of commentators have been implemented by these amendments or the accompanying reporting form. Some comments, either supporting or opposing the proposals, asserted that an appropriate breakdown of hours flown and purpose of flight requires appropriate categorization to allow for such matters as separation of corporate from business aircraft, or air taxi from commercial operator, and to allow for separate identification of aircraft rental businesses. These comments have been given careful consideration, and the results are incorporated into the FAA form that will be used for reporting purposes.

Comments also were received that the term "principal operator" should be defined for reporting purposes, in connection with new § 91.53. This definition has been supplied, and as used the term means the person (other than the owner) operating the aircraft, on the reporting date, under a lease or other arrangement for a period of at least 3 months. It is considered that an identification of the principal operator in this manner

will substantially assist in the attainment of distribution and effectiveness of Airworthiness Directives and the associated objective of aviation safety, as described in Notice 69-37.

Some comments recommended that reporting before July 1 of each year will allow a too-long reporting period after an anticipated cutoff on December 31 of the preceding year. Neither Notice 69-37 nor the amendments specifically mention a December 31 cutoff. However, it is anticipated that initially the new FAA Form, pre-printed with available information from the records will, when mailed out to registered owners as soon as possible after January 1, reflect the records as of December 31. It appears that the first reporting cycle will be more time consuming for both the FAA and those reporting than subsequent reporting cycles because of the anticipated initial procedural and workload problems within the FAA for the implementation of the rule, period of time for the preparation and dissemination of the form, and need for correction of invalid or outdated information by the persons reporting. However, the FAA expects to continue its consideration of the length of the reporting period and, if feasible, to reduce it in the future to a shorter period, such as 30 or 60 days, as recommended by comments.

It has been determined, in the light of the comments received, that the amendments to Parts 13 and 47, requiring the submission of information contained in Part 1 of AC Form 8050-73 be adopted as proposed. However, it has been determined that the amendment to Part 91 would provide for the submission of the information contained in Part 2 of that form on a voluntary basis. Accordingly, new § 91.53 as written provides that the aircraft owner should, but is not required to, submit the information contained in Part 2 of the report. It is expected that the voluntary reporting of this information under § 91.53 will provide sufficient data to satisfy the FAA needs without the necessity to make this provision mandatory.

Interested persons have been afforded an opportunity to participate in the making of these amendments, and due consideration has been given to all matter presented.

In consideration of the foregoing, Parts 13, 47, and 91 of the Federal Aviation Regulations are amended, effective March 7, 1970.

These amendments are made under the authority of sections 103, 307, 311, 312, 313(a), 501, 601(a)(6), 609, and 901 of the Federal Aviation Act of 1958 (49 U.S.C. 1303, 1348, 1352, 1353, 1354(a), 1401, 1421, 1429, 1471), section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)), and § 1.4(b)(1) of the Regulations of the Office of the Secretary of Transportation.

NOTE.—The recordkeeping and reporting requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Amendment 47-11

Cancellation of Certificate of Aircraft Registration for Export Purpose: Recorded Rights-Satisfaction or Consent to Transfer

Adopted: April 29, 1971 **Effective: June 10, 1971**

(Published in 36 F.R. 8661, May 11, 1971)

The purpose of this amendment to Part 47 of the Federal Aviation Regulations is to provide that the holder of a Certificate of Aircraft Registration who wishes to cancel the Certificate for the purpose of export to a foreign country that has not ratified or does not adhere to the Convention on International Recognition of Rights in Aircraft (Mortgage Convention) must submit evidence satisfactory to the Administrator that each holder of a recorded right (other than a contract of conditional sale) has been satisfied or has consented to the transfer.

Interested persons have been afforded an opportunity to participate in the making of this amendment by a Notice of Proposed Rule Making (Notice 70-40) issued on October 1, 1970 and published in the Federal Register on October 17, 1970 (35 F.R. 16321). Five public comments were received, each of which either concurred in or had no objections to the proposal.

Under paragraph (b) of § 47.47, if the aircraft was to be exported to a foreign country that had ratified or adhered to the Mortgage Convention, the holder formerly was required to submit evidence satisfactory to the Administrator that each holder of a recorded right had been satisfied or had consented to the transfer. This provision fulfilled the obligations of the United States under Article IX of the Mortgage Convention. However, the provision did not apply where the aircraft was to be exported to a country that had not ratified or did not adhere to the Convention, and in such a case the Certificate holder needed only to request cancellation and in addition, if there was a contract of conditional sale, submit the written consent of the seller, bailor, or lessor under the contract. As a result, when a recorded right in the aircraft was not a contract of conditional sale, and the aircraft was to be exported to a non-Mortgage Convention country, it was not necessary to show satisfaction of the recorded right or consent to the transfer. In such a case, the obligations under the Convention could be frustrated by a request indicating that the aircraft would be exported to a non-Mortgage Convention country when in fact it would be exported to a Mortgage Convention country either directly or after a period of registration in the non-Mortgage Convention country.

This amendment modifies § 47.47 to treat all cancellations of Certificates of Aircraft Registration in the same manner and affords greater protection to holders of recorded rights in the United States. It also more fully complies with the objectives of the Mortgage Convention.

In consideration of the foregoing, § 47.47 of the Federal Aviation Regulations is amended, effective June 10, 1971.

(Sections 313(a) and 503 of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1403. Section 6(c) of the Department of Transportation Act; 49 U.S.C. 1655(c). Section 1.47(a) of the Regulations of the Office of the Secretary of Transportation; 49 CFR 1.47(a)).

Amendment 47–12

Validity Period of Signature Authorization

Adopted: April 29, 1971 **Effective: May 11, 1971**

(Published in 36 F.R. 8661, May 11, 1971)

The purpose of these amendments is to relieve the limitation imposed by §§ 47.13(g) and 49.13(d) on the 3-year duration period for an authorization by one person to sign for another when the duration of that authorization is specifically stated therein; and to clarify certain other provisions of Part 47.

Amendments 47–2 and 49–2, effective August 18, 1966 (31 F.R. 15349, December 8, 1966), extended the validity of a power of attorney or other authorization by one person to sign for another from 2 to not more than 3 years after the date the instrument was signed. The amendments stated that a specified expiration of the validity of an authorization was imposed to improve the efficiency of the FAA's registration and recordation systems by purging obsolete records.

For FAA purposes, there is a need to limit the duration of an authorization. However, it is considered unnecessary to invalidate an authorization where the latter specifically provides for a duration longer than 3 years, or where its continuing effectiveness is reaffirmed by the appropriate person.

These amendments accordingly provide that an authorization may be valid for a period longer than 3 years where the instrument itself so provides. If no expiration date is so specified in the instrument itself the 3-year limitation on validity will continue to apply. However, these amendments also provide a method to extend the effective period of an authorization for additional 3-year periods upon appropriate reaffirmance in writing that the authorization is still in effect.

Additionally, these amendments make the applicable provisions in § 47.13(d)(3) consistent by providing that the person who may certify an authorization by the board of directors of a corporation is an officer or other person holding a managerial position in the corporation and the title of his office is stated in connection with his signature. Finally, an ambiguity in § 47.13(d)(3)(i) is removed by identifying "the signer" to be the person who signed the application or request.

Since these amendments are procedural in nature, notice and public procedure thereon are not necessary, and they may become effective on less than 30 days' notice.

In consideration of the foregoing, Parts 47 and 49 of the Federal Aviation Regulations are amended, effective May 11, 1971.

(Section 313(a) and Title V of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1401–1406. Section 6(c) of the Department of Transportation Act; 49 U.S.C. 1655(c). Section 1.47(a) of the Regulations of the Office of the Secretary of Transportation).

Amendment 47–13

Availability of One to Three Symbol Aircraft Identification Numbers

Adopted: August 13, 1971 **Effective: September 20,1971**

(Published in 36 F.R. 16187, August 20, 1971)

The purpose of these amendments to § 47.15 of the Federal Aviation Regulations is to remove the regulatory restrictions on the assignment and reservation of one to three symbol aircraft identification numbers.

Interested persons have been afforded an opportunity to participate in the making of these amendments by a Notice of Proposed Rule Making (Notice 71–17) issued on May 20, 1971, and published in the Federal Register on June 3, 1971 (36 F.R. 10801).

Due consideration has been given to the one public comment presented in response to that Notice, which comment concurred with the proposal.

As stated in Notice 71–17, the further reservation of one to three symbol aircraft identification numbers for FAA aircraft by regulatory provision is not now considered necessary, and removal of the restrictive rule should not affect the future assignment of small numbers to those aircraft. Also, the FAA and the public have had an undue burden attendant upon processing requests for assignment of one to three symbol numbers under § 47.15, as well as in processing a substantial number of petitions for exemption. Furthermore, removing the special rules on the assignment or reservation of these numbers will not have an adverse effect on owners of small aircraft, since § 45.29(f) of the Federal Aviation Regulations provides relief as to the size of required marks for small surfaces.

Also as stated in Notice 71–17, the FAA contemplates that after the issuance of these amendments it will release one to three symbol aircraft identification numbers on a "first come, first served" basis. Each assignment or reservation of one of these numbers will require payment of a $10.00 fee for a special identification number.

In consideration of the foregoing, paragraph (d) of § 47.15 of the Federal Aviation Regulations is amended to read as follows and paragraphs (e) and (g) of that section are revoked as follows, effective September 20, 1971.

(Sections 307(c) and 313(a), and Title V of the Federal Aviation Act of 1958; 49 U.S.C. 1348, 1354(a), 1401 et seq. Section 6(c) of the Department of Transportation Act; 49 U.S.C. 1655(c). Section 1.47(a) of the Regulations of the Office of the Secretary of Transportation.)

Amendment 47–14

Aircraft Registration Eligibility, Identification, and Activity

Adopted: September 22, 1971 **Effective: September 30, 1971**

(Published in 36 F.R. 19159, September 30, 1971)

The purpose of these amendments to Parts 47 and 91 of the Federal Aviation Regulations is to provide for a shorter period for filing AC Form 8050–73, Aircraft Registration Eligibility, Identification, and Activity Report.

Under § 47.44(a), the holder of each Certificate of Aircraft Registration has been required to report annually concerning his continued eligibility for aircraft registration. He has done this by submitting an Aircraft Registration Eligibility, Identification, and Activity Report, Part 1, AC Form 8050–73, to the FAA Aircraft Registry before July 1 of each year commencing July 1, 1970. Section 91.53(a) provides that the owner of each aircraft registered in the United States should (but is not required to) submit Part 2 of the same form, containing information on the identification of his aircraft and its activity during the previous calendar year, to the FAA Aircraft Registry, also before July 1 of each year commencing July 1, 1970.

Sections 47.44 and 91.53 were adopted January 6, 1970, and made effective March 7, 1970. Some comments in response to the Notice of Proposed Rule Making (Notice 69–37) published in the Federal Register on September 5, 1969 (34 F.R. 14079), recommended that the period for filing should be shortened to 30 or 60 days. However, at the time the provisions were adopted, the FAA anticipated that the first reporting cycle would be more time-consuming for both the FAA and those reporting than subsequent reporting cycles, because of the initial procedural and workload problems with the FAA, the preparation and dissemination of the new FAA form, and the correction of invalid or outdated information by the persons reporting. As forecast in the preamble to the rule when adopted, the FAA has continued its consideration of the length of the reporting period with the expectation of reducing it to a shorter period, such as 30 or 60 days, if feasible. As a result of that consideration, it has been determined that the initial procedural and workload problems no longer exist, and that a shorter period is feasible.

Accordingly, these amendments change the deadline for filing AC Form 8050-73 to April 1 of each year, commencing April 1, 1972, thus providing a shorter, 90-day period for filing. This shorter period is more desirable, because it will allow earlier processing of the reports by the FAA, thus facilitating safety regulatory analysis, current year source allocation, and budgetary planning. Reducing the filing period to 90 days will not impose a burden on the persons reporting, in view of the time actually required to complete the form. In fact, thus far, the FAA has received the bulk of the reports early in the filing period.

In view of the foregoing, and the fact that these minor amendments do not impose a burden on any person, notice and public procedure thereon is unnecessary, and the amendments may be made effective on less than 30 days' notice.

In consideration of the foregoing, Parts 47 and 91 of the Federal Aviation Regulations are amended, effective September 30, 1971, by striking out the phase "July 1 of each year commencing July 1, 1970" in the lead-in portions of § 47.44(a) and § 91.53(a) and substituting the phrase "July 1 of each of the years 1970 and 1971 and April 1 of each year thereafter" therefor in each place.

(Sections 103, 307, 311, 312, 313(a), 501, 601(a)(6), 609, and 901 of the Federal Aviation Act of 1958; 49 U.S.C. 1303, 1348, 1352, 1353, 1354(a), 1401, 1421, 1429, 1471. Section 6(c) of the Department of Transportation Act; 49 U.S.C. 1655(c). Section 1.47(a) og the Regulations of the Office of the Secretary of Transportation.)

Amendment 47-15

Identification Number for Aircraft Last Previously Registered in a Foreign Country

Adopted: October 3, 1972 **Effective: November 11,1972**

(Published in 37 F.R. 21528, October 12, 1972)

The purpose of this amendment to Part 47 of the Federal Aviation Regulations is to provide for the issue of a United States identification number for an aircraft last previously registered in a foreign country, before the issue of a Certificate of Aircraft Registration, and to allow the operation of that aircraft under temporary authority.

Interested persons have been afforded an opportunity to participate in the making of this amendment by a Notice of Proposed Rule Making (Notice 71-36) issued on October 22, 1971, and published in the Federal Register on November 9, 1971 (36 F.R. 21414). Due consideration has been given to all comments presented in response to the Notice.

All six public comments received in response to the Notice concurred in the proposal. Three commentators suggested expansion of the proposed 90-day period during which an applicant for aircraft registration who has been issued an identification number must file an Aircraft Registration Application, AC Form 8050-1, and comply with either § 47.33 or § 47.37, as applicable, or lose the authority to use the number. For various reasons, the commentators suggested periods of 120 days to one year. The FAA considers the 90-day period to be necessary to insure proper control of the identification number, as stated in the Notice, and in most cases this period is sufficient to allow the applicant to comply with either § 47.33 or § 47.37. However, responsive to these comments, as issued the rule allows the applicant to obtain an extension of the 90-day period upon a showing that delay in complying with § 47.33 or § 47.37 was due to circumstances beyond his control, such as a delay in the process of deregistration in a foreign country.

A minor editorial change was made in the introductory language of subparagraph (a)(3) from what originally appeared in the Notice, for the purpose of emphasizing that the provision applies whether or not the foreign registration has ended.

In consideration of the foregoing, and for the reasons given in Notice 71–36, Part 47 of the Federal Aviation Regulations is amended, effective November 11, 1972.

(Sections 313(a), 501, and 503 of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1401, 1403. Section 6(c) of the Department of Transportation Act; 49 U.S.C. 1655(c). Section 1.47(a) of the Regulations of the Office of the Secretary of Transportation; 49 CFR 1.47(a).)

Amendment 47–16

Special Identification Numbers; Updating Certain Form Number References

Adopted: November 22, 1972 **Effective: December 1 ,1972**

(Published in 37 F.R. 25486, December 1, 1972)

The purpose of these amendments to Parts 47 and 49 of the Federal Aviation Regulations is to (1) clarify § 47.15(f) by specifically stating that an FAA Flight Standards District Office is the place where an applicant who is issued a special identification number may obtain a revised airworthiness certificate, and (2) update certain references to FAA form numbers.

When an aircraft owner applies for a special identification number to replace the one currently assigned to his aircraft, the FAA Aircraft Registry assigns a special identification number on AC Form 8050–64. Within five days after he affixes the number to his aircraft, the owner must complete and sign the receipt contained in that form, state the date he affixed the number to his aircraft, and return the original form to the FAA Aircraft Registry. He carries the duplicate form and present Certificate of Aircraft Registration in the aircraft as temporary authority to operate it. Section 47.15(f) has stated that the FAA then issues a revised Certificate of Aircraft Registration and an airworthiness certificate showing the special identification number.

Th rule has not previously stated what FAA organizational unit issued the latter document. Additional language in § 47.15(f) indicates clearly that the FAA Aircraft Registry issues Certificates of Aircraft Registration. However, for over 3 years the applicant has been directed to the nearest Flight Standards District Office for an airworthiness certificate showing the new number, and this instruction has appeared on AC Form 8050–64 since September 1970. These amendemnts clarify the regulations by specifically including a statement of this procedure. The FAA is issuing simultaneously with these amendments a notice of proposed rule making to provide in Part 91 of the Federal Aviation Regulations that the owner must obtain an airworthiness certificate showing the new number within a specified period of time.

Section 47.15(f) has stated that the temporary authority to operate the aircraft, using the duplicate of AC Form 8050–64 and the present Certificate of Aircraft Registration, is valid only until the date the owner receives both the revised Certificate of Aircraft Registration and the revised airworthiness certificate. Expiration of the temporary authority has been conditioned on receipt of both revised certificates because it was anticipated that, since both would be issued by the Aircraft Registry, they would be sent to the owner together, and would be received simultaneously. However, under the present procedure, the FAA does not consider it necessary to continue the temporary authority until the owner also receives a revised airworthiness certificate, which may occur after he has already received the revised Certificate of Aircraft Registration, because the airworthiness certificate bears the model and serial number of the aircraft and thus applicability of the certificate to the aircraft is evident without display of the duplicate form. Accordingly, these amendments state that the temporary authority to operate the aircraft is valid until the date the owner receives the revised Certificate of Aircraft Registration alone.

These amendments also update the references to certain other form numbers in Parts 47 and 49. These new numbers result from shifting the responsibility for these

forms to the Aeronautical Center in 1967. Thus, the new forms show the prefix "AC" instead of "FAA."

Since these amendments are procedural and clarifying in nature, and do not impose a burden on any person, notice and public procedure thereon is not required, and the amendments may be made effective on less than 30 days' notice.

In consideration of the foregoing, Parts 47 and 49 of the Federal Aviation Regulations are amended, effective December 1, 1972.

(Sections 313(a), 501, and 503 of the Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1401, 1403. Section 6(c) of the Department of Transportation Act; 49 U.S.C. 1655(c). Section 1.47(a) of the Regulations of the Office of the Secretary of Transportation; 49 CFR 1.47(a).)

Amendment 47–17

Registration Number on Airworthiness Certificate

Adopted: December 26, 1973 **Effective: February 7, 1974**

(Published in 39 F.R. 1352, January 8, 1974)

The purpose of this amendment to Parts 47 and 91 of the Federal Aviation Regulations is to require that a U.S. airworthiness certificate (except certain special flight permits) carried on an aircraft have on it the registration number of the aircraft, except that the airworthiness certificate need not have on it an assigned special identification number before 10 days after that number is first affixed to the aircraft.

This amendment is based on a Notice of Proposed Rule Making (Notice No. 72–31) issued on November 22, 1972, and published in the Federal Register on December 1, 1972 (37 F.R. 25532). Several comments were received in response to Notice No. 72–31 and the relevant comments are discussed below. Based upon these comments and upon further consideration by the FAA, several changes have been made to the proposed rule. Interested persons have been afforded an opportunity to participate in the making of this amendment, and due consideration has been given to all relevant matter presented.

Four of the six comments received in response to Notice No. 72–31 were in favor of, or raised no objection to, the amendment as proposed. One of the commentators in favor of the proposal questioned whether under the proposal the aircraft owner would be permitted to make the change to the airworthiness certificate after a change in registration number. The commentator also questioned the effect of the cancellation of an aircraft's registration, for any of the reasons specified in Part 47, on the aircraft's airworthiness certificate, and whether the added airworthiness documentation, that would be required under the proposal, would impede title searches.

With respect to the commentator's first question, § 21.177 provides that an airworthiness certificate may be amended or modified only upon application to the Administrator. Therefore, under the proposal, after obtaining a new registration number, the aircraft owner would not be permitted to revise the aircraft's airworthiness certificate, but would be required to obtain a revised airworthiness certificate, showing the new registration number, from an FAA Flight Standards District Office. In order to avoid any misunderstanding as to who may revise an airworthiness certificate, the last sentence of § 47.15(f), that contains non-regulatory material, has been deleted and a sentence has been added at the end of § 91.27(a)(1) to make it clear that a revised airworthiness certificate having on it a special identification number, that has been assigned and affixed, must be obtained upon application to an FAA Flight Standards District Office. With respect to the commentator's second question, § 21.181 specifies the duration of airworthiness certificates and § 21.181(a)(1) provides, in pertinent part, that a standard airworthiness certificate is effective (unless sooner surrendered, suspended, revoked, or a termination date is otherwise established by the Administrator) so long as the aircraft is registered in the United States. Finally, in that the provision merely requires what has generally been done voluntarily in the past, the FAA foresees no added impediment in searches for title.

The Notice proposed to permit operations of an aircraft for a 10-day period, after a special identification number is first affixed to an aircraft, during which the operator could obtain a revised airworthiness certificate showing that special identification number. One commentator, while in favor of a requirement that the aircraft registration number be on the airworthiness certificate, contended that the 10-day period provided was insufficient and that 30 days would be necessary. The FAA does not believe this comment has merit since the owner of the aircraft can schedule the affixing of the special identification number to a time in which 10 days should be sufficient to obtain a revised airworthiness certificate.

One commentator asserted that the proposal would require added unnecessary paperwork. The FAA does not agree. As stated in Notice 72–31, the U.S. registration number of an aircraft is shown on the U.S. airworthiness certificate (except certain special flight permits), and a requirement that the current registration number appear on the airworthiness certificate would reduce the possibility of confusion with respect to an aircraft's identification without placing an undue burden on the aircraft operator.

Finally, the proposal has been editorially revised to make it clear that while a special flight permit is an airworthiness certificate, as revised, § 91.27(a)(1) will not require that a special flight permit have on it the aircraft's registration number.

This amendment is made under the authority of sections 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354, 1421, and 1423), and section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

In consideration of the foregoing, and for the reasons given in Notice 72–31, Parts 47 and 91 of the Federal Aviation Regulations are amended, effective February 7, 1974.

Amendment 47–18

Aircraft Registry Mailing Address

Adopted: August 2, 1976 **Effective: September 8, 1976**

(Published in 41 F.R. 34009, August 12, 1976)

These amendments to Part 47 and 49 of the Federal Aviation Regulations provide a new mailing address for the FAA Aircraft Registry in Oklahoma City, Oklahoma, for use by the public in submitting documents to the Aircraft Registry.

Interested persons have been given an opportunity to participate in the making of these amendments by a Notice of Proposed Rule Making, Notice No. 74–26, published in the Federal Register on July 15, 1974 (39 F.R. 25953). Forty-four public comments were received in response to the Notice, and each has been considered in the adoption of these amendments.

The majority of the comments opposed the proposals concerning a "close of business" receipt of documents, and the return of documents found to be defective at the time of recordation examination. The FAA has carefully considered these comments and has determined that the intent of the Notice to provide more expeditious and effective service can be met through administrative changes in Registry procedures which can be implemented without rule-making action. Accordingly, the proposed changes to § 49.19 are being withdrawn.

Since these proposals are being withdrawn, it is appropriate to describe current Aircraft Registry procedures:

Mailed conveyances are delivered to a room where cashier and index personnel are collocated. The mail is opened, the money processed, and the conveyance indexed. Conveyances delivered personally are time-stamped and indexed as they are received. Two indexes are prepared, one using the N number of the aircraft or other identifying description, and the other using an alphabetical listing of the parties to the transactions.

Index sheets are delivered to the title search room each day on an hourly basis, and are computerized at the end of each day and week. This allows individuals who

are searching aircraft titles to make their opinions contingent only upon the conveyances filed during the current one-hour period.

In addition to the withdrawal of the proposed changes to § 49.19, the FAA is also withdrawing proposed new § 49.20 regarding the return of defective conveyances. This action is based upon substantive public comments received in response to the proposal. With the withdrawal of this proposal, the Aircraft Registry will continue current procedures which provide for (1) retention of a defective conveyance in suspense with a notice of deficiency being sent to the appropriate party; or, (2) return of the conveyance for correction.

The withdrawal of these proposals does not preclude the FAA from issuing, in the future, other notices concerning this subject, nor commit the agency to any future course of action.

With respect to the proposal for a separate post office box number for the exclusive use of the Aircraft Registry, no opposition was submitted and the FAA has determined that the proposal should be adopted. This action will assist in the expeditious processing of all incoming mailed conveyances by reducing handling time.

These amendments are made under the authority of sections 313(a), 501, 502, and 503 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1401, 1402, and 1403) and section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

In consideration of the foregoing, Parts 47 and 49 of the Federal Aviation Regulations are amended, effective September 8, 1976.

Amendment 47–19

Aircraft Registration Eligibility Identification and Activity

Adopted: January 25, 1978 **Effective: January 30, 1978**

(Published in 43 FR 3900, January 30, 1978)

SUMMARY: The purpose of these amendments is to delete the requirement in the Federal Aviation Regulations that each holder of a certificate of aircraft registration file an annual report on the current eligibility of the aircraft for registration, and to discontinue the request for voluntary annual reports providing other information about the aircraft and its activity. The FAA has determined that there is no current need for these annual reports. These amendments are intended to relieve the public of this burden.

FOR FURTHER INFORMATION CONTACT:

Virginia Swimmer, Technical Section, FAA Aircraft Registry, Aeronautical Center, P.O. Box 25082, Oklahoma City, Oklahoma 73125; telephone (405) 686-2284.

SUPPLEMENTARY INFORMATION:

Section 47.44 of the Federal Aviation Regulations (14 CFR 47.44) presently requires the holder of a Certificate of Aircraft Registration to submit a report by April 1 of each year, providing information pertinent to the aircraft's continuing eligibility for registration. The report, made on Part 1 of AC Form 8050-73 (Aircraft Registration Eligibility Identification, and Activity Report), must state: (1) the name and address of the owner; (2) whether he is a United States citizen (if not a governmental unit); (3) the aircraft's make, model, and registration and serial number; and (4) whether the aircraft has been registered under the laws of a foreign country.

Section 91.53 (14 CFR 91.53) presently provides for the voluntary submission of Part 2 of AC Form 8050-73. Part 2 requests (but does not require) that the certificate holder submit the following information: (1) the name and address of the principal operator of the aircraft (if not the owner); (2) the make and model of the aircraft's engines; (3) the communications and navigational aids capability of the aircraft's

equipment; (4) the airport where the aircraft is based; and (5) the activity of the aircraft for the previous calendar year (as shown by hours flown and purpose of flight).

Sections 47.44 and 91.53 were adopted in 1970, as Amendments Nos. 47–10 and 91–72 (published in the FEDERAL REGISTER on February 5, 1970; 35 FR 1578). The purpose of § 47.44 was to provide for updating and revising the aircraft register, so that it would reflect, to the extent possible, only those aircraft eligible for registration. The FAA has received these reports annually from 1970 through 1977. As a result, approximately 32,000 obsolete aircraft records have been removed from the aircraft register, and the register is now reasonably current.

Moreover, the FAA has determined that the aircraft register can now be kept current, for the most part, with the use of information that is submitted to the FAA in the ordinary course of business. This information includes: notices of the safe, export, destruction, theft, and cannibalization of aircraft; notices of change of address and of the death of aircraft owners; and requests for change of registration number.

With respect to those aircraft for which no information is received within a reasonable period of time, it may be necessary to require some holders of Certificates of Aircraft Registration to file a report similar to that required by § 47.44. Such a reporting system would be considerably less of a burden on the public and on the FAA than the present one. The FAA may initiate rulemaking in the near future to propose such a requirement.

The purpose of § 91.53 was to collect statistical information useful in long-range aviation planning and in forecasting FAA workload. In addition, the name and address of the principal operator, if other than the owner, was requested to assist in distributing airworthiness directives.

However, voluntary compliance with § 91.53 has not proven to be an effective means of collecting information on aircraft activity. After study of the matter, the FAA has determined that statistical sampling methods will be more effective. Moreover, because information as to the operator of the aircraft is collected on a voluntary basis and only once a year, §91.53 has not been a satisfactory means of maintaining a mailing list for Airworthiness Directives. For these reasons the FAA has determined it should no longer request the voluntary submission of Part 2 of AC Form 8050–73, and will consider other means of maintaining a suitable mailing list for Airworthiness Directives.

Revoking §§ 47.44 and 91.53 will relieve any burden that may be imposed by these annual reports, and will not result in any other burden on the public. It will also eliminate agency costs incurred for computer use, mail distribution, report processing, and legal enforcement.

In the past the FAA has mailed a partially preprinted AC Form 8050–73 to each holder of a Certificate of Aircraft Registration in January each year, for submission by April 1. These forms will not be sent out in January of 1978. To delay revoking §§ 47.44 and 91.53 could cause confusion among certificate holders as to their reporting responsibility for 1978. For this reason, the FAA has determined that notice and public procedure hereon would be impractical and contrary to the public interest and that good cause exists for making this amendment effective on less than 30 days notice.

Although these amendments are being adopted without prior notice and public procedure, interested persons may wish to comment on the revoking of these reporting procedures. Accordingly, they are invited to submit such written data, views, or arguments as they may desire. Communications should identify the regulatory docket or amendment number and be submitted in duplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attention: Rules Docket, AGC–24, 800 Independence Avenue, S.W., Washington, D.C. 20591.

DRAFTING INFORMATION

The principal authors of this document are Virginia Swimmer, Technical Section, FAA Aircraft Registry, and Joseph M. Dorsey, Office of the Chief Counsel.

ADOPTION OF THE AMENDMENT

Accordingly, Parts 47 and 91 of the Federal Aviation Regulations (14 CFR Parts 47 and 91) are amended, effective January 30, 1978, by revoking and reserving §§ 47.44 and 91.53.

(Secs. 313(a), 501, and 601(a), Federal Aviation Act of 1958, as amended (49 U.S.C. 1354(a), 1401, and 1421(a)); Sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)).

The Federal Aviation Administration has determined that this document does not contain a major proposal requiring preparation of an Economic Impact Statement under Executive Order 11821, as amended by Executive Order 11949, and OMB Circular A-107.

Amendment 47-20

Eligibility for Aircraft Registration

Adopted: October 24, 1979 **Effective: January 1, 1980**

(Published in 44 FR 61937, October 29, 1979)

SUMMARY: This amendment adopts rules and procedures for the registration of aircraft owned by resident aliens and by certain domestic corporations that are not United States citizens. These rules and procedures are in response to Congressional legislation which expanded the eligibility for aircraft registration to aircraft owned by these persons. The amendment also codifies FAA administrative practice with respect to registration in the name of a partnership or a trustee, or in the name of a corporation whose United States citizenship depends on a voting trust.

FOR FURTHER INFORMATION CONTACT:

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FAA Aircraft Registry
Aeronautical Center
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Telephone: (405) 686-2284

SUPPLEMENTARY INFORMATION:

Interested persons have been afforded an opportunity to participate in the making of this amendment by Notice of Proposed Rule Making No. 78-18, issued on December 22, 1978 (44 FR 63; January 2, 1979). That Notice proposed to amend Part 47 of the Federal Aviation Regulations to provide for: (1) the registration of aircraft by an individual citizen of a foreign country who has been lawfully admitted for permanent residence in the United States (referred to in this amendment as a "resident alien"), (2) the registration of aircraft by a corporation (other than a citizen of the United States) lawfully organized and doing business under the laws of the United States or any State thereof, if the aircraft is based and primarily used in the United States; and (3) a definition of "based and primarily used in the United States." These changes are to reflect recent revisions of section 501(b) of the Federal Aviation Act of 1958 (the Act).

Additionally certain technical amendments were proposed involving: aspects of registration by partnerships, trustees, and corporations that use voting trusts; the substitution of the term "person" where appropriate; and the provision for immediate termination of a certificate when eligibility has ceased.

A total of five public comments were received in response to the Notice. Due consideration was given to all comments received. Except as discussed in this preamble, this amendment and the reasons for it are identical to the proposal and the reasons set forth in the proposal.

Four commenters addressed the definition of "based and primarily used in the United States" in proposed § 47.9(b). One commenter observed that the definition would not per-

mit an aircraft on lease to a United States flag air carrier by a foreign-owned corporation to be registered under section 501(b)(1)(A)(ii) of the Act, since these aircraft would often log less than the required amount of flight time within the United States. The commenter recommended that the definition be broadened either to include aircraft operated by U.S. air carriers or to allow the counting of flight time between a point in the United States and a point outside the United States, or to do both. The commenter contends, without supporting evidence, that these changes would be consistent with legislative intent. However, the FAA does not agree that the suggested criteria, even if combined, would ensure that the aircraft is used primarily in the United States, as intended by Congress. Under the suggested criteria, most of the aircraft time could, in fact, be outside of the United States.

Another comment, directed at the same definition, urges that a foreign-owned U.S. corporation should be permitted to register new aircraft which it imports from foreign countries, for the ferry flights to the United States. The commenter described certain operational advantages which are not available if the ferry flights for delivery to U.S. purchasers are made under the foreign registration. However, under the rule being adopted, the corporation may register the aircraft prior to the ferry flight if it anticipates that the aircraft will comply with the 60 percent standard during the controlling period following registration.

Two commenters had almost identical comments addressed to proposed § 47.9(b). They criticized the lack of emphasis on the word "based" in the definition provided by that paragraph, and urged the imposition of a requirement that the aircraft must be maintained by an FAA-certificated repair station or mechanic. However, the FAA considers that the requirement that 60 percent of the flight hours of the aircraft be within the United States is sufficient to ensure that the aircraft is based within the United States, a requirement that Congress imposed to prevent the use of U.S. registration as a "flag of convenience." At the same time the rule provides a criterion that is easy to apply. Moreover, U.S. registered aircraft are already required by § 91.163(b) to be maintained in accordance with Part 43. That Part specifies those persons who may perform maintenance, including FAA-certificated repair stations and mechanics.

The two commenters also urged the reduction of the percentage of flight hours within the United States from 60 percent to "at least 51 percent." They criticized the 180-day period as too confining and the reporting requirements as too burdensome, and suggest the use of a one-year period.

After further consideration, in light of these comments, the FAA has decided that the basic period for the rule should be 6 calendar months. This will simplify the rule without making the period so long that the rule may be abused. However, the reporting requirement stated in the Notice is being retained since it is indispensable for enforcement. The FAA considers the 60 percent rule to be reasonable in the light of the intent of Congress to prevent the use of U.S. registration as a flag of convenience. The proposed percentage is sufficient to ensure that the aircraft is primarily used in the United States.

The commenters also incorrectly assumed that, on flights between a point in, and a point outside, the United States, flight time while the aircraft is in the United States would count toward the accumulated flight hours required by § 47.9(b). As adopted, § 47.9(c) has been revised to make it clear that only the flight hours accumulated on a non-stop flight between two points in the United States are considered flight hours accumulated within the United States.

Some commenters maintained that the record-keeping requirement in proposed § 47.9(e)(2) would be too burdensome for an aircraft operated exclusively with the United States, as in the case of imported aircraft operated in the United States for demonstration purposes. In response to these comments, this provision, adopted as § 47.9(f), provides that, for aircraft used exclusively in the United States while registered in the United States, a signed statement to that effect may be submitted at the end of the reporting period in lieu of a report on the airframe time in service and total flight hours in the United States.

Section 47.9(f) will become effective 30 days after notice has been published in the FEDERAL REGISTER that the requirements of that paragraph have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

As adopted, § 47.9(e) specifically provides that the records which the corporation is required to maintain must be made available for inspection by the Administrator upon request. Section 47.9(a)(4) requires that the corporation submit with its application the location where these records will be maintained.

New § 47.41(a)(8)(ii) is being clarified by relating lapse of registration due to non-compliance with the "based and primarily used" requirement to the end of each six-month period.

One comment was received on proposed § 47.7(c) which deals with registration by a trustee when a beneficiary under the trust is neither a U.S. citizen nor a resident alien or when a trustee or beneficiary is directly or indirectly controlled by a foreign interest. Under those circumstances, § 47.7(c)(2)(iii) requires each trustee to submit an affidavit establishing that the trustee is not aware of anything which would give more than 25% of the power to influence or limit the trustee's authority to persons who are not United States citizens or resident aliens.

The rule further provides that in those circumstances, the trust agreement, which must be submitted, must provide that if persons who are not United States citizens or resident aliens have the power to direct or remove a trustee, then those persons may not have more than 25% of the aggregate power to do so.

The commenter was concerned that the proposed regulation would prohibit nonresident aliens and foreign beneficiaries from participating (in common with other participants) in the ordinary management or direction of the trust even though the requisite 75 percent is vested in U.S. citizens or resident aliens. In response to this comment, the regulation, as adopted, makes it clear that persons who are neither U.S. citizens nor resident aliens may exercise up to 25 percent of the aggregate power to direct or remove a trustee. In addition, the rule makes it clear that those persons may have a beneficial interest in the trust that exceeds 25 percent of the aggregate beneficial interests.

The commenter also requested that the regulation direct its limitation on control over the trustee to foreign beneficiaries who are not resident aliens, and that the trustees be allowed to take direction from other beneficiaries. The FAA agrees with this comment. Therefore, proposed § 47.7(c)(2)(ii)(A), requiring the trustee to have full authority independent of direction from any beneficiary, has not been adopted. Other provisions of the rule prevent the trustee from taking direction from a foreign beneficiary who is not a resident alien, except as permitted in § 47.7(c)(3).

One commenter believes that the limit on the percentage of foreign beneficiaries who have authority to direct or remove trustees, should not apply to beneficiaries who have only a security interest in the aircraft. However, the rule is intended to apply to these persons since the control which they may exercise over a trustee can be as substantial as that of any other beneficiary. Accordingly, the rule, as adopted, makes it clear that references to beneficiaries under a trust include any person whose security interest in the aircraft is incorporated in the trust.

It should be noted that it is not the intent of the FAA in any way to change its existing procedure for accepting applications for registration in the name of a trustee wherein the trustees and beneficiaries are all citizens of the United States, regardless of whether the trust is an active or a passive trust.

The revised definition of "owner" used in proposed § § 47.5(b) and 47.11(a) has not been adopted. The FAA has determined that it is not necessary to revise the existing definition at this time. Accordingly, the language in the current rule has been retained.

In addition to changes made as a result of comments, editorial changes have been made in the amendment for the sake of clarity. Section 45.33 has been amended to conform to revised section 501(b) of the Act. A new § 47.2, Definitions, has been added,

bringing together some definitions found in the various sections of the subpart. The provisions on voting trusts in proposed § 47.7 have been incorporated into a new § 47.8.

On December 22, 1978, Special Federal Aviation Regulation No. 39 (44 FR 38 January 2, 1979) was issued, stating a tentative interpretation of section 501(b)(1)(A)(ii), effective immediately. Interested persons were invited to submit comments, but no comments have been received. This amendment to Part 47 covers the same subject matter, without change in the interpretation of the statute in the Special Federal Aviation Regulation. That special regulation is thus superseded and is being revoked herein.

ADOPTION OF AMENDMENTS

Accordingly, Special Federal Aviation Regulation No. 39 (44 FR 38; January 2, 1979) is revoked, effective January 1, 1980, and Parts 45 and 47 of the Federal Aviation Regulations (14 CFR Parts 45 and 47) are amended, effective January 1, 1980.

(Sections 307(c), 313(a), 501, 503, 1102, Federal Aviation Act of 1958, as amended (49 U.S.C. 1348(c), 1354(a), 1401, 1403, and 1502), and Sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)).

NOTE: The FAA has determined that this document involves a regulation which is not significant under Executive Order 12044, as implemented by DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). In addition, the FAA has determined that the expected impact of the regulation is so minimal it does not require an evaluation.

Amendment 47-21

Triennial Aircraft Registration Report

Adopted: March 20, 1980 **Effective: April 30, 1980**

(Published in 45 FR 20772, March 31, 1980)

SUMMARY: This rule requires that a holder of a Certificate of Aircraft Registration file a report with the FAA Aircraft Registry on the current eligibility of the aircraft for registration whenever 3 years have elapsed since the Registry received information indicating continued registration eligibility. It replaces the annual reporting requirement previously imposed on all certificate holders. The rule is intended to help ensure that continued aircraft registration is limited to eligible persons only and that, to the extent practicable, data on aircraft ownership is kept current, without imposing unnecessary reporting requirements on certificate holders. It is needed to supplement eligibility information that is received by the FAA Aircraft Registry in the ordinary course of business.

FOR FURTHER INFORMATION CONTACT:

Virginia Swimmer, Technical Section
FAA Aircraft Registry, AAC-251
Mike Monroney Aeronautical Center
P.O. Box 25082, Oklahoma City, OK 73125
Telephone: (405) 686-2284.

SUPPLEMENTARY INFORMATION:

A. Background

Former § 47.44 of the Federal Aviation Regulations (14 CFR 47.44) required a holder of a Certificate of Aircraft Registration to file a report before April 1 of each year providing information relative to the aircraft's eligibility for registration. That requirement enabled the FAA to obtain updated knowledge of the registration eligibility of aircraft.

Section 47.44 was revoked on January 25, 1979, by Amendment 47-19 (43 FR 3900; January 30, 1978), because the FAA determined that the aircraft register could now be kept current, for the most part, with the use of information that is submitted to the FAA in the ordinary course of business. However, in the preamble to Amendment 47-19, the FAA stated that it might be necessary to implement another updating procedure for aircraft for which no information indicating continued registration eligibility is received within a reasonable period of time.

Subsequently, Notice of Proposed Rule Making No. 79-10 (44 FR 24573; April 26, 1979) proposed to amend Part 47 to require certificate holders to file a report with the FAA Aircraft Registry on the current eligibility of an aircraft for registration whenever 3 years have elapsed since a registration activity has occurred indicating continued registration eligibility.

B. Comments received.

Eighteen public comments were received in response to Notice 79-10. Seven comments were in general agreement with the proposed rule and eleven believed that the program was unnecessary.

One commenter suggested that the filing of a notice of lien with the Registry should be included in § 47.51(b) as one of the registration activities which would indicate current eligibility for registration. This commenter contended that these notices indicate the current owner and mortgagee of the aircraft. However, a notice of aircraft lien is not usually filed by the owner of the aircraft, and may not provide accurate information on the aircraft, such as the mailing address, or even the identity, of the current owner of the aircraft. For this reason, the suggestion has not been adopted.

Commenters criticized proposed § 47.51(d) which provides for suspension or revocation of a Certificate of Aircraft Registration when an applicant fails to submit the required

triennial report. One stated that it cannot be assumed that in every case the report form mailed by the Registry will reach the aircraft owner, and that the Registry will receive the returned report and accurately enter the information in the aircraft record.

When a certificate holder fails to comply with § 47.51(a), the Aeronautical Center Counsel will send the certificate holder a notice of proposed certificate action, accompanied by a second Triennial Aircraft Registration Report, by certified mail, return receipt requested. This will ensure that either the report will be received by the addressee, or it will be returned to the FAA Aircraft Registry if delivery cannot be made by the Postal Service. An opportunity will be given to the aircraft owner to file the second copy of the report form within 20 days, before further action is taken. Whenever action is taken to suspend or revoke a certificate, due process will be ensured by compliance with applicable requirements of Part 13, Investigation and Enforcement Procedures, of the Federal Aviation Regulations (14 CFR Part 13).

Four opposing commenters stated that filing the Triennial Aircraft Registration Report would be an undue burden on the aircraft owner, and that essentially the same information is submitted to the Internal Revenue Service on the aircraft use tax form when the annual aircraft use tax is paid. They felt that the Federal Aviation Administration should be able to obtain the needed registration information from the Internal Revenue Service.

The FAA does not agree that filing the triennial report would be an undue burden. Not all owners will be required to file the report. In addition, the previous burden on the aircraft owner will be significantly reduced because the triennial report will replace the annual report.

Use of information filed with the IRS would not provide adequate eligibility information. The FAA could not obtain all of the required information from the IRS, nor could it be sure that the information is accurate for the Registry's purpose. Some aircraft owners are not subject to the aircraft use tax. Other owners never file the Aircraft Use Tax Form because they are not aware of the requirement to do so. In addition, many owners sell aircraft before they are billed for taxes on them and, by the time the IRS forms are filed, title to the aircraft may have been transferred to another owner.

One commenter complained that an aircraft insurer might deny an owner's claim under a policy if the owner failed to file the report and, as a result, the FAA revoked the Certificate of Aircraft Registration. This commenter also contended that the report is unnecessary since the information is already required under existing regulations.

Proper insurance coverage and compliance with the terms of the policy are responsibilities which must be assumed by the aircraft owner. For its part, the FAA will not suspend or revoke a certificate without the procedural safeguards already discussed.

Aircraft owners are presently required to advise the FAA Aircraft Registry of changed circumstances which affect registration eligibility. Past experience has shown, however, that some certificate holders do not comply with these requirements. Therefore, these regulations are necessary to limit registration to eligible persons and to keep aircraft records reasonably current.

C. Registration Activities.

An additional registration activity has been added to § 47.51(b) as a result of Amendment 47-20 (44 FR 61937; October 29, 1979). Among other things, that amendment provided procedures in a new § 47.9 for the registration of aircraft by U.S. corporations which are not U.S. citizens, when the aircraft is based and primarily used in the United States. Section 47.9 requires that the continuing eligibility of these aircraft must be established every six months by a report or statement on the flight hours of the aircraft in the United States. Since the required report or statement will indicate current eligibility for registration, § 47.51(b), as adopted, provides that submission of the report or statement is a registration activity under that section.

Failure to submit this six-month report or statement would most likely result in suspension or revocation of the Certificate of Registration long before a triennial report

form would have been sent to the certificate holder. Accordingly, proposed § 47.51(5), which would have included a certification in the triennial report as to whether the aircraft is based and primarily used in the United States, has not been adopted.

D. Editorial Change.

Former § 47.44 required holders of a Certificate of Aircraft Registration to annually submit Part 1 of AC Form 8050-73, Aircraft Registration Eligibility Identification and Activity Report. The new Triennial Aircraft Registration Report will use the same form number without a Part 1. References to this form and to § 47.44 in Part 13, Investigation and Enforcement Procedures, are corrected in this amendment by deleting "Part 1" and replacing § 47.44 with new § 47.51.

THE AMENDMENTS

Accordingly, Parts 13 and 47 of the Federal Aviation Regulations (14 CFR Parts 13 and 47) are amended, effective April 30, 1980.

(Secs. 313(a), 501, and 601(a), Federal Aviation Act of 1958, as amended (49 U.S.C. §§ 1354(a), 1401, and 1421(a)); Sec. 6(c), Department of Transportation Act (49 U.S.C. § 1655(c)).

NOTE—The FAA has determined that this document involves proposed regulations which are not significant under Executive Order 12044, as implemented by the Department of Transportation Regulatory Policies and Procedures published in the FEDERAL REGISTER February 26, 1979 (44 FR 11034). In addition, the Federal Aviation Administration has determined that the expected impact of the proposed regulations is so minimal that they do not require an evaluation.

Amendment 47-22

Prohibition of the Use of the Letters "I" and "O," and Designation of the Position of Zero in Aircraft Identification Marks

Adopted: February 23, 1982 **Effective: April 21, 1982**

(Published in 47 FR 12153, March 22, 1982)

SUMMARY: The purpose of this amendment is to prohibit the use of the letters "I" and "O" in aircraft identification marks and to restrict the use of zero to a position always following a number. This change codifies an agency policy which is designed to prevent confusion in aircraft identification. Adding these restrictions will clarify the numbering system and reduce the number of requests for improper numbers.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION: Section 47.15(b) of the Federal Aviation Regulations states: "A U.S. identification number may not exceed five symbols in addition to the prefix letter 'N'." These symbols may be all numbers (N10000), one to four numbers and one suffix letter (N1000A), or one to three numbers and two suffix letters (N100AB).

The letters "I" and "O" are not used in aircraft identification numbers because they might be confused with "one" and "zero." If either of these letters were to be used as suffix or prefix letters, several aircraft might appear to have the same number.

Zero is never used as the first symbol in an aircraft identification number because that number might be confused with the same number minus the zero, for example, N0123 and N123. Both of these numbers might be expressed orally as "N-one two three."

Airport traffic control problems could occur if two of these aircraft coincidentally operated out of the same airport. Enforcement problems are also possible. Finally, numbers that confuse the identity of aircraft could result in the misfiling of important aircraft documents.

The FAA's policy of not using these numbers is apparently not well known because the aircraft registry is sometimes asked to assign an identification number containing the letter "I" or "O," or a number using zero as the first symbol.

This amendment will clarify the numbering system and reduce the number of requests for improper numbers. This rule will not require any change in identification numbers since the subject letters have never been assigned nor has zero been used in the manner prohibited by this amendment.

Since this amendment merely states agency practice in administering the aircraft registration system, I find that notice and public procedure are not necessary, and that good cause exists for making it effective in less than 30 days.

ADOPTION OF THE AMENDMENT:

Accordingly, Part 47 of the Federal Aviation Regulations (14 CFR Part 47) is amended, effective April 21, 1982, by adding two sentences to the end of § 47.15(b).

(Sections 307(c), 313(a), 501, 503, 1102, Federal Aviation Act of 1958, as amended (49 U.S.C. 1348(c), 1354(a), 1401, 1403, 1502), and Section 6(c), Department of Transportation Act (49 U.S.C. 1655(c)).)

NOTE: Since the agency practice expressed by this amendment does not impose a burden on any aircraft owner, the FAA has determined that this document involves a regulation which is not major under Executive Order 12291 or significant under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). For these same reasons, I certify that under the criteria of the Regulatory Flexibility Act, this regulation will not have a significant impact on a substantial number of small entities. Its expected impact is so minimal that it does not require an evaluation.

Amendment 47-23

Recordation of Conveyances Affecting Title to, or an Interest in, Aircraft

Adopted: January 12, 1988 **Effective: February 25, 1988**

(Published in 53 FR 1911, January 25, 1988)

SUMMARY: These amendments adopt rules affecting aircraft registration and the recordation of conveyances, by eliminating the requirement for a conditional sales vendee to have the consent or a release from the conditional sales vendor before transferring the ownership of the aircraft. The amendments are in keeping with the express language of the Uniform Commercial Code. The amendments are in response to petitions for rulemaking filed by Cessna Finance Corporation and the Aircraft Finance Association.

FOR FURTHER INFORMATION CONTACT: Ms. Agnes M. Jones, Aircraft Registration Branch, (AAC-250), Airmen and Aircraft Registry, Aeronautical Center, P.0. Box 25082, Oklahoma City, Oklahoma 73125; Telephone (405) 686-2284.

SUPPLEMENTARY INFORMATION:

Background

A Federal system for recordation of instruments transferring or affecting interests in aircraft was first established by Congress in 1938. Currently Section 503 of the Federal Aviation Act of 1958 (the Act) requires the FAA to establish and maintain a system for recording conveyances affecting title to, or interest in, civil aircraft. These documents include bills of sale, contracts of conditional sale, mortgages, and other security agreements. The Act also provides that no conveyance shall be valid against any person other than the persons involved in the conveyance, or a person who has actual notice, until the conveyance affecting the aircraft is recorded with the FAA.

Under the Act, an aircraft may only be registered by its owner. Since 1939, as a result of the O'Conner decision (1 C.A.A. 5, 1939), the regulations have recognized the buyer of an aircraft under a contract of conditional sale as the owner for registration purposes. This is true even though the conditional seller retains legal title until the buyer meets the conditions of the contract. The FAA considers certain leases with option to purchase, and bailment leases, as defined in 49 U.S.C. 1301(19), "conditional sales", to be equivalent to conditional sales and wherever the terms "conditional sales" or "conditional sales contract" are used, they include those leases with option and bailment leases.

Parts 47 and 49 of the Federal Aviation Regulations (FARs) historically have recognized this special character of a contract of conditional sale. Section 47.11, Evidence of Ownership, requires the transferee under a contract of conditional sale to submit the contract (unless it is already recorded at the FAA Aircraft Registry (Registry)) and the transfer from the original buyer, bailee, lessee, or prior transferee. The transfer must bear the written assent of the seller, bailor, lessor, or transferee thereof under the original contract. To obtain a certificate of aircraft registration under section 47.31, the applicant must submit evidence of ownership acceptable under section 47.11.

In addition, sections 47.11 and 49.17 provide that a transfer of the conditional buyer's interest cannot be recorded and the aircraft cannot be registered to the buyer's transferee without the consent of the conditional seller. However, if a person holds any other kind of security interest in an aircraft, such as a security agreement, or a chattel mortgage, the consent of the secured party is not required for recordation of the transfer and registration of the aircraft to the transferee.

The Uniform Commercial Code (U.C.C. or the code) makes no distinction between contracts of conditional sale and other security agreements. Section 1-201(37) of the code states that the retention or reservation of title by a seller, notwithstanding delivery of the property to the buyer, is limited in effect to a reservation of a "security interest". As provided in section 9-306 of the U.C.C., a perfected security interest continues in the collateral regardless of sale or exchange by the debtor. Section 9-311 further states that the debtor's rights in collateral may be voluntarily or involuntarily transferred (by way of sale, creation of a security interest, attachment, levy, garnishment, or other judicial process) notwithstanding a provision in the security agreement prohibiting any transfer or making the transfer constitute a default.

ANPRM

On August 11, 1975, the Cessna Finance Corporation (CFC) submitted a petition for rulemaking to the FAA. The CFC petition asks that Parts 47 and 49 be changed to remove the distinction between the FAA's handling of conditional sales contracts and its handling of other security instruments. This would be done by requiring consent of the holder of every outstanding recorded security-interest prior to recording any bill of sale or other transfer from the debtor to a third party, as a prerequisite to issuing a certificate of aircraft registration to the transferee.

The CFC petition prompted the FAA to issue an advance notice of proposed rulemaking (ANPRM) on October 20, 1977 (Notice No. 77-24; 42 F.R. 55897). This notice, in keeping with the intent of the U.C.C. proposed to abolish the distinction between contracts of conditional sale and other security interests recorded with the FAA. The FAA proposed to to accomplish this, not in the manner requested by CFC, but by eliminating the requirement of written consent of the conditional vendor to the transfer of the original buyer's interest before recording the transfer and registering the aircraft. The FAA explained in the ANPRM that an amendment similar to the one proposed by CFC would discourage transfer of the buyer's interest in the aircraft and thus be contrary to the intent of the U.C.C. In addition, the amendment would involve a substantial increase in the administrative costs and workload of the Registry. The ANPRM further solicited suggestions of alternative courses of action which would be consistent with the U.C.C., administratively reasonable, and also afford protection to persons who hold security interests in aircraft.

Subsequent to the publication of the ANPRM, the Aircraft Finance Association (AFA) filed a petition for rulemaking, dated March 16, 1979, proposing the same requirement as CFC requested. It did not specify, however, when the burden would fall upon the buyer of the aircraft to obtain the consent or release of the security interest by the creditor and when it would fall upon the seller.

NPRM

In response to the AFA petition and in further response to the CFC petition, the FAA published notice of proposed rulemaking (NPRM) No. 80-9 on May 22, 1980 (45 FR 34286). The notice proposed to delete regulations affording special consideration to conditional sales contracts in view of modern state statutes which, in accordance with the U.C.C., treat alike all instruments executed for security purposes as they concern the rights, duties, and remedies of the parties. Specifically, the notice proposed to amend section 47.11(a) by eliminating the requirement that the transferee under a contract of conditional sale submit with an Aircraft Registration Application, written assent of the seller, bailor, lessor, or assignee thereof, under the original contract, to the assignment. It also proposed to amend section 49.17 to eliminate the consent of the conditional seller and consolidate the recording requirements for instruments executed for security purposes.

In support of the proposal, the FAA made the following observations. For many years, the special character of the contract of conditional sale, i.e., the retention of legal title by the vendor, was thought to have warranted the special protection of consent to transfer. However, the Act does not specifically authorize the Administrator to refuse to record a conveyance affecting title to, or an interest in, aircraft in the absence of a secured creditor's assent to that conveyance. Section 503(c) of the Act leaves the determination of the substantive validity of any conveyance to state law, specifically, the law of the state where the instrument is delivered. To the extent that the Act does not regulate the rights of parties to, and third parties affected by, these transactions, security interests in aircraft are controlled by Article 9 of the U.C.C., which has been adopted in 49 of the 50 states.

The NPRM noted that the CFC, the AFA, and the commenters to the ANPRM had pointed out that the U.C.C. has eliminated the distinction between conditional vendors and other secured creditors. In view of this virtually uniform policy of state law, the FAA stated, as it did in the ANPRM, that the distinction should be abolished for purposes of aircraft registration and recordation. The NPRM pointed to the policy of the U.C.C. that debtor's rights in collateral be freely transferable notwithstanding a provision in a security agreement making such a transfer a default. The notice concluded that it would be contrary to the policy of the U.C.C. to restrain such transfers by requiring, as a condition of aircraft registration and recordation, the assent of the secured creditor to a conveyance of the aircraft. The FAA stated that it is improper to override these state laws, in the absence of specific Federal statutory authority, unless it is necessary to carry out the provisions of a Federal statute or treaty.

Response to the NPRM

Forty-seven comments were received in response to the NPRM. Thirty-seven commenters oppose the FAA proposal. Twenty of those 37 commenters ask that CFC's proposal be implemented.

Six commenters point out that insurance becomes invalid if ownership is transferred without the lienholder's knowledge. However, maintenance of appropriate insurance is the responsibility of the owner of the aircraft and is not an FAA requirement. While operation of aircraft with appropriate insurance coverage is desirable, and aircraft transfers do affect insurance coverage and the security of the aircraft as collateral, the proposed regulations would not affect the owner's responsibilities as to insurance.

Twenty-four commenters contend that the proposed amendments would adversely affect aircraft financing and commerce. They contend that implementation of the changes proposed in the NPRM would relieve the mortgagor (conditional buyer, lessee, bailee, etc.) of the responsibility of providing either a release of the security agreement or a consent from the security holder, allowing the free transfer of the debtor's interest. The commenters believe that the effect would be that the security holder might then not be aware of the impending transfer, and might not be able to protect its interests or be assured of the continued safety of its collateral.

Although the NPRM invited interested persons to submit data concerning any possible impact, no commenter did so. As stated in the NPRM, approximately 15 percent of the security transactions filed with the Registry are contracts of conditional sale. The majority of those which require a release or consent to the sale of such aircraft have the required release or consent attached. Sellers who do not submit a release or consent with other documentation of the sale must be advised of the requirement, and this places an additional burden on the Registry. This process impedes expeditious registration to a new buyer. By removing the requirement, a significant amount of time will be saved by the seller, the security holder, and the FAA in documenting and processing such sales and the registration to subsequent buyers.

Nothing the FAA can do will change the prospect that collateral may be sold out of trust, with or without the security holder's consent. While this final rule may remove an obstacle to a sale out of trust, the agency is not persuaded that this will have an appreciable effect on secured transactions generally. Some commenters suggest that removing the release or consent requirement would increase the amount of down payment required in secured sales, or increase the amount of interest charged the buyer, or increase secured party losses, or all three. However, no information in terms of actual increases or events of transfer which result in loss were provided by the commenters, so these anticipated losses must be considered speculative at this time.

One commenter states that the proposed rule will affect a $6 billion industry. Other banks and aircraft financing concerns also commented that their respective involvement may total over one-half billion dollars a year. Many of these concerns state that they are currently carrying $50–100 million in outstanding obligations. However, no commenter states what proportion of their transactions were conditional sales, if any, or how many conditional sales were affected by sales out of trust.

One commenter, citing section 9-104 of the U.C.C., stated that the U.C.C. does not apply to aircraft because a security interest in aircraft is subject to a statute of the United States which governs the rights of the parties to, and third parties affected by, the transaction. Section 9-103(3)(a) specifically names airplanes as one of the mobile goods covered by the code. The Act provides a central location whereby recorded conveyances and instruments shall be valid as to all persons without further or other recordation; however, it does not prescribe the rights, obligations, and remedies of the parties to the transactions.

Three commenters stated that they did not believe security interests in aircraft were covered by the U.C.C. because section 9-302(3) specifies that the filing of a financing statement, otherwise required by Article 9 of the code, is not necessary or effective to perfect a security interest in property subject to a statute or treaty of the United States which provides for a national or international registration or specifies a different place for filing a security interest. The FAA does not have a provision for the filing of a "notice" of interest in aircraft (the financing statement), but rather section 503(a)(1) of the Act provides for the recording of the conveyance which contains all of the terms and provisions of the transaction affecting an interest in aircraft. The Act provides a preempted location for recording security interests, but otherwise does not displace the U.C.C. as to any substantive or procedural rights. *Philko* v. *Shacket*, 103 S.Ct. 2476 (1983), *In re Gary Aircraft*, 681 F.2d 365 (5th Cir., 1982), *In re Holiday Airlines*, 620 F.2d 731 (9th Cir., 1980). The validity of any instrument is determined by state law, and in the event of default, remedies are in accordance with the provisions of the security instrument and state law.

The FAA does not expect the adoption of the amendment to have an appreciable effect on the choice of security formats available to financers and their customers. The relations, obligations, and rights of the parties are matters of mutual agreement. The agency action in treating all security transactions alike should not have an adverse effect on the reciprocal duties of the parties. Most security agreements, by whatever name they are called, contain provisions restricting transfers, perhaps restricting the base or home location of the aircraft, and specifying events of default. FAA regulations and this amendment do not change these provisions; the obligations of the parties remain the same. It should not be the responsibility of the FAA to participate in enforcing the terms of a financing transaction, but rather the parties themselves should select the security format, with its concomitant default and redress clauses, most appropriate to the wishes and needs of the parties.

It appears that only the FAA has the requirement for submission of a consent or release prior to recognition of a sale. Such a requirement would seem to be unenforceable under any state law. The final rule does not change the holder's right to have the security in the collateral continue notwithstanding the sale, nor change specific contract language, if the contract contains any language to the effect that a sale may be an event of default. The FAA recognizes that a sale by a conditional purchaser may result in the seller losing track of the collateral, but since the Registry records are open to the public, the seller or other security holder can check on the current registration at any time. The FAA places its records at the disposal of the public free of charge and in as expeditious a manner as possible.

As a less sweeping alternative, some commenters suggest that notification be made to all lienholders when registration is transferred (as opposed to a refusal to transfer). However, the implementation of such an alternative would be almost identical to implementation of the complete CFC proposal insofar as increased workload is concerned, with questionable gain to the lienholder, to whom an after-the-fact notification may be untimely.

Three commenters favor the proposal offered in the NPRM. All three oppose the cost of implementing and maintaining the procedures requested by CFC, and two object to the Government taking over the responsibility of furnishing information or a service presently available from the private sector, i.e., the services of aviation title search companies.

Finally, five commenters favor continuing the present procedure. Two state that maintaining the "status quo" is preferable to the "halfway" measures requested by the CFC and changes should be made only if issuance of a "clear and absolutely clean" title replaced the present system. Two others want no change only if CFC procedures could not be implemented. The fifth advocates no change, saying the CFC proposal would only increase the backlog and prolong the time span required to issue a certificate of aircraft registration.

The FAA has carefully considered all comments. However, since the U.C.C. has virtually eliminated any distinction between forms of security interests and the Act provides no basis for such a distinction, the FAA is not justified in perpetuating by regulation, one distinction in one singular type of transaction. The FAA is now fully persuaded that, since the validity of the instruments is governed by state law, and since state law prescribes that collateral shall be fully transferable, regulations should be changed to reflect this law. Without an amendment to the Act specifically authorizing it to do so, the agency cannot continue an archaic practice that has been specifically changed in intent and in fact by the U.C.C.

The expressed purpose of the Administration's regulatory program is to place less, not more, responsibility on the Government for levying requirements on the public and enforcing those requirements. By requiring less documentation for an aircraft transfer, which is subject to a conditional sales contract, the amendment will place all transferors and all holders of security interests on an equal footing; that is, nothing more will be required of persons selling an aircraft subject to a conditional sales contract than of persons selling an aircraft subject to a chattel mortgage or deed of trust. Similarly, a person holding a security interest called a conditional sales contract will be in no different a position than the holder of any other agreement.

Without specific statutory authority to continue the current practice, the FAA has concluded that Parts 47 and 49 should be amended by deleting the requirement for a release or consent of the holder of a conditional sales security interest prior to registration of an aircraft to a buyer who purchases from a conditional sales vendee, or to record a transfer from the same individual.

Paragraph (a)(2) of section 47.47, Cancellation of Certificate for Export Purposes, is being revised to eliminate an unnecessary distinction between contracts of conditional sale and other security

agreements. These amendments, however, do not change the requirement for a release or consent from the holders of all recorded rights when the aircraft registration is to be cancelled for export purposes. This requirement implements the Convention on the International Recognition of Rights in Aircraft (4 U.S.T. 1830) (Convention), and is set out in section 47.47 of the FARs. In 1985, over 2,000 U.S. registered aircraft were exported, and consents or releases were provided in all cases where the aircraft were subject to recorded rights. This requirement is placed on all exported aircraft regardless of whether the aircraft is being exported to a country which is also a signatory to the Convention.

Editorial Changes from the NPRM

Editorial changes have been made to the Part 49 amendment from the language of the NPRM in the following manner: all references to "mortgage", or "chattel mortgage", have been changed to the more generic term, "security agreement". This is the term generally accepted by the U.C.C. to refer to such instruments, regardless of the historical name; names are not critical for recording purposes. Similarly, wherever reference is made to "FAA recorded document number", that is changed to "FAA recorded conveyance number" in accordance with current Registry practice.

Although the NPRM stated that the proposed amendment would not affect section 47.47(a), which deals with the requirements of the Convention on International Recognition of Rights in Aircraft (4 U.S.T. 1830), editorial changes are made to remove those requirements in that section that distinguish conditional sales contracts from other security instruments. Under section 47.47(a) the requirement remains exactly the same: all recorded security instruments must be released or have the consent to cancel registration from the holder of the instrument. This is meant to be an editorial change only, and no substantive change is intended.

Benefit—Cost Analysis

The FAA is amending Parts 47 and 49 of the FAR's to eliminate the current requirement for a release or consent from the holder of a conditional sales security interest prior to registration of an aircraft to a conditional sales buyer. These amendments would treat conditional sales contracts the same as other security agreements in which the FAA does not require the consent of the secured party to record the transfer and registration of the aircraft to the buyer. A conditional sales contract is one in which the buyer and seller agree to fulfill certain conditions; e.g., observe warranties, provide proper maintenance, meet a payment schedule. The buyer takes possession of the aircraft and registers it with the FAA even though the seller retains legal title until all the conditions of the contract are satisfied.

Registry experience is that about 15 percent of aircraft security documents are conditional sales contracts, generally involving 4,725 aircraft on an annual basis. Although this proportion is small, it appears that some of the major lenders in the industry rely heavily on this type of financial arrangement. Both Cessna Finance and Chase Manhattan Aircraft Finance, which acquired Piper Acceptance Corporation in 1985, have indicated that the bulk of their aviation lending consists of conditional sales contracts. Both of these companies also indicated that 20 percent of these contracts were to the dealer for inventory financing and 80 percent went to the end user. In the case of an end user conditional sales contract, the dealer will "assign" the contract to the lender. Although information on individual aviation lenders' use of this type of contract format is very sketchy, it appears that perhaps about half a dozen major aviation lenders have a significant volume of conditional sales contracts.

The FAA expects that adoption of the proposal would facilitate the sale of used aircraft by requiring less documentation for an aircraft transfer subject to a previously recorded conditional sales contract. As noted above, approximately 15 percent of all security contracts are conditional sales which require the additional documentation. Another expected benefit of this amendment is a reduced workload for the Registry because it would eliminate the need for returning and resubmitting transfer documents when the necessary consents are lacking. This saving in time is not expected to be very significant, however, in view of the fact that only 5 percent of all conditional sales transfer documents (or less than 250 per year) must be returned by the FAA because the required releases have not been obtained.

Another benefit of this rule is consistent treatment of loan collateral involved in conditional sales of aircraft between Federal regulation and the state U.C.C.'s. The U.C.C. makes no distinction between contracts of conditional sale and other forms of security agreements. The validity of the loan instruments is governed by state law and because state law prescribes that collateral shall be fully transferable, the Federal regulation should be consistent.

A half dozen conditional sales lenders were contacted by the FAA. They prefer conditional sales contracts because of the additional protection of the collateral in the form of "registration around liens", under which the FAA will not change registration of an aircraft without the consent of the lienholder. Under a standard loan arrangement, the FAA does not require such a consent prior to registering the aircraft in the name of the purchaser. Some lenders are critical of the proposed rule, claiming it would increase their risk exposure. The lenders assert that they would otherwise have no indication that the borrower was attempting to sell or had sold the collateral and would therefore be forced to search the Registry records to determine if a sale had in fact occurred. Also lenders might lose their collateral insurance because policies terminate with the sale of aircraft. Lenders assert they would be forced to change the terms on aircraft loans by increasing rates and down payment requirements which would ultimately reduce the overall volume of their aviation loan portfolios. They indicated that the degree of this change would depend largely on their loss experience which cannot be predicted at this time.

The FAA does not expect the adoption of the amendment to have a significant effect on the risk exposure of aviation lenders using the conditional sales format, however. In the first place, the protection of collateral afforded by the FAA requirement for the consent of the lienholder is not available in the case of conditional sales contracts to dealers for inventory financing because the lien would not be enforceable under the state U.C.C.'s after the dealer sells to an end user. Under the U.C.C., a person who buys an aircraft from a dealer takes title to the aircraft free and clear of any security interest in the aircraft. (U.C.C. 9-307(1).)

On the other hand, a person who purchases an aircraft from a person who is not in the business of selling aircraft, i.e., the original purchaser would be legally obligated to release the collateral to the lender in the event the conditional buyer of the aircraft, i.e., the debtor, defaulted on his payments. Effects of this proposal therefore appear limited to "end user" loans.

Conditional sales lenders have expressed concern that implementation of the proposal would force them to institute replevin proceedings (which could take up to 2 years) to recover the collateral in the event of a default, thereby delaying the process and increasing their cost and risk exposure. The FAA maintains that the lenders would not generally be required to follow this protracted course because state laws entitle them to repossess property on which they hold a lien without breaching the peace. Replevin proceedings are not likely to increase since the law presumes that the buyer has knowledge of any debt or security agreement recorded by the Registry that may encumber any purchased aircraft.

In summary, the adoption of the proposal is not expected to have a significant impact on the risk exposure of the lenders. Even if the aircraft is sold out of trust, the lender retains a lien of record on the aircraft in the case of nondealer sales and remains in the same priority with respect to other persons asserting rights in the aircraft. While the possibility exists that FAA may register aircraft to buyers from conditional vendees, thereby creating legal problems for some lenders, lenders can adequately protect their rights to the collateral by specifying the obligations of the parties in the loan agreements. The FAA is not persuaded that the terms of loans will be adversely affected by the implementation of this proposal.

Regulatory Flexibility Analysis

The FAA has determined that the rulemaking action will not have a significant economic impact on a substantial number of small entities.

As noted above, the risks of conditional sales agreements involving aircraft dealers would probably not be affected. The cost of new aircraft to commercial operators of all sizes, which to some extent reflects the financing costs of dealers, would therefore not be affected. Any possible effects on the cost of used aircraft are likely to be minimal in view of the prevalence of the standard "chattel" loan fomat in the aircraft purchase financing industry which would not be affected by this action.

International Trade Impacts

The Registry is aware of only one foreign aircraft manufacturer which specifically selected the conditional sale format for sales to its U.S. distributors in order to take advantage of the requirement for a release or consent before further transfer would be recognized. However, since a purchaser from a dealer takes possession free and clear of any dealer financing, regardless of FAA's requirements,

no impact can be shown other than in those situations where the distributor transfers the aircraft to another dealer. This manufacturer did not comment on the proposed rule change. Accordingly, the FAA has determined that the economic impact of the amendment on international trade would be minimal and imposes no significant barrier.

Conclusion

This amendment will provide consistent treatment of aircraft subject to security agreements and result in a minimal cost benefit by requiring less documentation for the registration of certain used aircraft. It is not expected to have a significant impact on the risk exposure of lenders. For these reasons, the FAA has determined that this amendment is not major under Executive Crder 12291 or significant under the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). For the same reasons, it is certified that under the criteria of the Regulatory Flexibility Act this amendment will not have a significant economic impact, positive or negative, on a substantial number of entities. A copy of the final regulatory evaluation prepared for this project may be examined in the public docket or obtained from the person identified under the caption "FOR FURTHER INFORMATION CONTACT".

DENIAL OF PETITIONS AND ADOPTION OF AMENDMENT:

For the reasons set out in the preamble, the petitions of Cessna Finance Corporation and Aircraft Finance Association are denied, and 14 CFR, Parts 47 and 49 are amended effective February 25, 1988.

The authority citations following sections in Part 47 are removed and the authority citation for Part 47 is revised to read as follows:

Authority: 49 U.S.C. 106(g), 1354, 1401, 1403, 1405, 1406, and 1502; 4 U.S.T. 1830.

Part 47—Aircraft Registration

Subpart A—General

§ 47.1 Applicability.

This Part prescribes the requirements for registering aircraft under section 501 of the Federal Aviation Act of 1958 (49 U.S.C. 1401). Subpart B applies to each applicant for, and holder of, a Certificate of Aircraft Registration. Subpart C applies to each applicant for, and holder of, a Dealers' Aircraft Registration Certificate.

[§ 47.2 Definitions.

[The following are definitions of terms used in this Part:

["Act" means the Federal Aviation Act of 1958 (49 U.S.C. § 1301 *et seg.*).

["Resident alien" means an individual citizen of a foreign country lawfully admitted for permanent residence in the United States as an immigrant in conformity with the regulations of the Immigration and Naturalization Service of the Department of Justice (8 CFR Chapter 1).

["U.S. citizen" means one of the following:

[(1) An individual who is a citizen of the United States or one of its possessions.

[(2) A partnership of which each member is such an individual.

[(3) A corporation or association created or organized under the laws of the United States or of any State, Territory, or possession of the United States, of which the president and two-thirds or more of the board of directors and other managing officers thereof are such individuals and in which at least 75 percent of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions.

[§ 47.3 Registration required.

[(a) Section 501(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1401 (b)) defines eligibility for registration as follows:

[(b) An aircraft shall be eligible for registration if, but only if—

[(1) (A) it is—

[(i) owned by a citizen of the United States or by an individual citizen of a foreign country who has lawfully been admitted for permanent residence in the United States; or

[(ii) owned by a corporation (other than a corporation which is a citizen of the United States) lawfully organized and doing business under the laws of the United States or any State thereof so long as such aircraft is based and primarily used in the Unites States; and

[(B) it is not registered under the laws of any foreign country; or

[(2) it is an aircraft of the Federal Government, or of a State, territory, or possession of the United States or the District of Columbia or a political subdivision thereof.]

(b) No person may operate an aircraft that is eligible for registration under section 501 of the Federal Aviation Act of 1958 unless the aircraft—

(1) Has been registered by its owner;

(2) Is carrying aboard the temporary authorization required by § 47.31(b); or

(3) Is an aircraft of the Armed Forces.

(c) Governmental units are those named in paragraph (a) of this section and Puerto Rico.

[§ 47.5 Applicants.

[(a) A person who wishes to register an aircraft in the United States must submit an Ap-

plication for Aircraft Registration under this Part.

[(b) An aircraft may be registered only by and in the legal name of its owner.

[(c) Section 501(f) of the Act (49 U.S.C. 1401(f)), provides that registration is not evidence of ownership of aircraft in any proceeding in which ownership by a particular person is in issue. The FAA does not issue any certificate of ownership or endorse any information with respect to ownership on a Certificate of Aircraft Registration. The FAA issues a Certificate of Aircraft Registration to the person who appears to be the owner on the basis of the evidence of ownership submitted pursuant to § 47.11 with the Application for Aircraft Registration, or recorded at the FAA Aircraft Registry.

[(d) In this Part, "owner" includes a buyer in possession, a bailee, or a lessee of an aircraft under a contract of conditional sale, and the assignee of that person.

[§ 47.7 United States citizens and resident aliens.

[(a) *United States Citizens.* An applicant for aircraft registration under this Part who is a U.S. citizen must certify to this in the application.

[(b) *Resident aliens.* An applicant for aircraft registration under section 501(b)(1)(A)(i) of the Act who is a resident alien must furnish a representation of permanent residence and the applicant's alien registration number issued by the Immigration and Naturalization Service.

[(c) *Trustees.* An applicant for aircraft registration under section 501(b)(1)(A)(i) of the Act that holds legal title to an aircraft in trust must comply with the following requirements:

[(1) Each trustee must be either a U.S. citizen or a resident alien.

[(2) The applicant must submit with the application—

[(i) A copy of each document legally affecting a relationship under the trust;

[(ii) If each beneficiary under the trust, including each person whose security interest in the aircraft is incorporated in the trust, is either a U.S. citizen or a resident alien, an affidavit by the applicant to that effect; and

[(iii) If any beneficiary under the trust, including any person whose security interest in the aircraft is incorporated in the trust, is not a U.S. citizen or resident alien, an affidavit from each trustee stating that the trustee is not aware of any reason, situation, or relationship (involving beneficiaries or other persons who are not U.S. citizens or resident aliens) as a result of which those persons together would have more than 25 percent of the aggregate power to influence or limit the exercise of the trustee's authority.

[(3) If persons who are neither U.S. citizens nor resident aliens have the power to direct or remove a trustee, either directly or indirectly through the control of another person, the trust instrument must provide that those persons together may not have more than 25 percent of the aggregate power to direct or remove a trustee. Nothing in this paragraph prevents those persons from having more than 25 percent of the beneficial interest in the trust.

[(d) *Partnerships.* A partnership may apply for a Certificate of Aircraft Registration under section 501(b)(1)(A)(i) of the Act only if each partner, whether a general or limited partner, is a citizen of the United States. Nothing in this section makes ineligible for registration an aircraft which is not owned as a partnership asset but is co-owned by—

[(1) Resident aliens; or

[(2) One or more resident aliens and one or more United States citizens.

[§ 47.8 Voting trusts.

[(a) If a voting trust is used to qualify a domestic corporation as a U.S. citizen, the corporate applicant must submit to the FAA Aircraft Registry—

[(1) A true copy of the fully executed voting trust agreement, which must identify each voting interest of the applicant, and which must be binding upon each voting trustee, the applicant corporation, all foreign stockholders, and each other party to the transaction; and

[(2) An affidavit executed by each person designated as voting trustee in the voting trust agreement, in which each affiant represents—

[(i) That each voting trustee is a citizen of the United States within the meaning of section 101(16) of the Act;

[(ii) That each voting trustee is not a past, present, or prospective director, officer, employee, attorney, or agent of any other party to the trust agreement;

[(iii) That each voting trustee is not a present or prospective beneficiary, creditor, debtor, supplier or contractor of any other party to the trust agreement;

[(iv) That each voting trustee is not aware of any reason, situation, or relationship under which any other party to the agreement might influence the exercise of the voting trustee's totally independent judgment under the voting trust agreement.

[(b) Each voting trust agreement submitted under paragraph (a)(1) of this section must provide for the succession of a voting trustee in the event of death, disability, resignation, termination of citizenship, or any other event leading to the replacement of any voting trustee. Upon succession, the replacement voting trustee shall immediately submit to the FAA Aircraft Registry the affidavit required by paragraph (a)(2) of this section.

[(c) If the voting trust terminates or is modified, and the result is less than 75 percent control of the voting interest in the corporation by citizens of the United States, a loss of citizenship of the holder of the registration certificate occurs, and § 47.41(a)(5) of this Part applies.

[(d) A voting trust agreement may not empower a trustee to act through a proxy.

[§ 47.9 Corporations not U.S. citizens.

[(a) Each corporation applying for registration of an aircraft under section 501(b)(1)(A)(ii) of the Act must submit to the FAA Registry with the application—

[(1) A certified copy of its certificate of incorporation;

[(2) A certification that it is lawfully qualified to do business in one or more States;

[(3) A certification that the aircraft will be based and primarily used in the United States; and

[(4) The location where the records required by paragraph (e) of this section will be maintained.

[(b) For the purposes of registration, an aircraft is based and primarily used in the United States if the flight hours accumulated within the United States amount to at least 60 percent of the total flight hours of the aircraft during—

[(1) For aircraft registered on or before January 1, 1980, the 6—calendar month period beginning on January 1, 1980, and each 6—calendar month period thereafter; and

[(2) For aircraft registered after January 1, 1980, the period consisting in the remainder of the registration month and the succeeding 6 calendar months and each 6—calendar month period thereafter.

[(c) For the purpose of this section, only those flight hours accumulated during non-stop (except for stops in emergencies or for purposes of refueling) flight between two points in the United States, even if the aircraft is outside of the United States during part of the flight, are considered flight hours accumulated within the United States.

[(d) In determining compliance with this section, any periods during which the aircraft is not validly registered in the United States are disregarded.

[(e) The corporation that registers an aircraft pursuant to section 501(b)(1)(A)(ii) of the Act shall maintain, and make available for inspection by the Administrator upon request, records containing the total flight hours in the United States of the aircraft for three calendar years after the year in which the flight hours were accumulated.

[(f) The corporation that registers an aircraft pursuant to section 501(b)(1)(A)(ii) of the Act shall send to the FAA Aircraft Registry, at the end of each period of time described in paragraphs (b)(1) and (2) of this section, either—

[(1) A signed report containing

[(i) The total time in service of the airframe as provided in § 91.173(a)(2)(i), accumulated during that period; and

(ii) The total flight hours in the United States of the aircraft accumulated during that period; or

(2) A signed statement that the total flight hours of the aircraft, while registered in the United States during that period, have been exclusively within the United States.

Note: Section 47.9(f) of the FARs became effective August 10, 1981.

§ 47.11 Evidence of ownership.

Except as provided in §§ 47.33 and 47.35, each person that submits an Application for Aircraft Registration under this Part must also submit the required evidence of ownership, recordable under §§ 49.13 and 49.17 of this chapter, as follows:

(a) The buyer in possession, the bailee, or the lessee of an aircraft under a contract of conditional sale must submit the contract. The assignee under a contract of conditional sale must submit both the contract (unless it is already recorded at the FAA Aircraft Registry), and his assignment from the original buyer, bailee, lessee, or prior assignee.

(b) The repossessor of an aircraft must submit—

(1) A Certificate of Repossession on FAA Form 8050-4, or its equivalent, signed by the applicant and stating that the aircraft was repossessed or otherwise seized under the security agreement involved and applicable local law;

(2) The security agreement (unless it is already recorded at the FAA Aircraft Registry), or a copy thereof certified as true under § 49.21 of this chapter; and

(3) When repossession was through foreclosure proceedings resulting in sale, a bill of sale signed by the sheriff, auctioneer, or other authorized person who conducted the sale, and stating that the sale was made under applicable local law.

(c) The buyer of an aircraft at a judicial sale, or at a sale to satisfy a lien or charge, must submit a bill of sale signed by the sheriff, auctioneer, or other authorized person who conducted the sale, and stating that the sale was made under applicable local law.

(d) The owner of an aircraft, the title to which has been in controversy and has been determined by a court, must submit a certified copy of the decision of the court.

(e) The executor or administrator of the estate of the deceased former owner of an aircraft must submit a certified copy of the letters testimentary or letters of administration appointing him executor or administrator. The Certificate of Aircraft Registration is issued to the applicant as executor or administrator.

(f) The buyer of an aircraft from the estate of a deceased former owner must submit both a bill of sale, signed for the estate by the executor or administrator, and a certified copy of the letters testimentary or letters of administration. When no executor or administrator has been or is to be appointed, the applicant must submit both a bill of sale, signed by the heir-at-law of the deceased former owner, and an affidavit of the heir-at-law stating that no application for appointment of an executor or administrator has been made, that so far as he can determine now will be made, and that he is the person entitled to, or having the right to dispose of, the aircraft under applicable local law.

(g) The guardian of another person's property that includes an aircraft must submit a certified copy of the order of the court appointing him guardian. The Certificate of Aircraft Registration is issued to the applicant as guardian.

(h) The trustee of property that includes an aircraft, as described in § 47.7(c), must submit either a certified copy of the order of the court appointing the trustee, or a complete and true copy of the instrument creating the trust. If there is more than one trustee, each trustee must sign the application. The Certificate of Aircraft Registration is issued to a single applicant as trustee, or to several trustees jointly as co-trustees.

§ 47.13 Signatures and instruments made by representatives.

(a) Each signature on an Application for Aircraft Registration, on a request for cancellation of a Certificate of Aircraft Registration,

or on a document submitted as supporting evidence under this Part, must be in ink.

(b) When one or more persons doing business under a trade name submits an Application for Aircraft Registration or a request for cancellation of a Certificate of Aircraft Registration, the application or request must be signed by, or in behalf of, each person who shares title to the aircraft.

(c) When an agent submits an Application for Aircraft Registration or a request for cancellation of a Certificate of Aircraft Registration in behalf of the owner, he must—

(1) State the name of the owner on the application or request;

(2) Sign as agent or attorney-in-fact on the application or request; and

(3) Submit a signed power of attorney, or a true copy thereof certified under § 49.21 of this chapter, with the application or request.

(d) When a corporation submits an Application for Aircraft Registration or a request for cancellation of a Certificate of Aircraft Registration, it must—

(1) Have an authorized person sign the application or request;

(2) Show the title of the signer's office on the application or request; and

(3) Submit a copy of the authorization from the board of directors to sign for the corporation, certified as true under § 49.21

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of this chapter by a corporate officer or other person in a managerial position therein, with the application or request, unless—

(i) The signer of the application or request is a corporate officer or other person in a managerial position in the corporation and the title of his office is stated in connection with his signature; or

(ii) A valid authorization to sign is on file at the FAA Aircraft Registry.

(e) When a partnership submits an Application for Aircraft Registration or a request for cancellation of a Certificate of Aircraft Registration, it must—

(1) State the full name of the partnership on the application or request;

(2) State the name of each general partner on the application or request; and

(3) Have a general partner sign the application or request.

(f) When co-owners, who are not engaged in business as partners, submit an Application for Aircraft Registration or a request for cancellation of a Certificate of Aircraft Registration, each person who shares title to the aircraft under the arrangement must sign the application or request.

(g) A power of attorney or other evidence of a person's authority to sign for another, submitted under this Part, is valid for the purposes of this section, unless sooner revoked, until—

(1) Its expiration date stated therein; or

(2) If an expiration date is not stated therein, for not more than 3 years after the date—

(i) It is signed; or

(ii) The grantor (a corporate officer or other person in a managerial position therein, where the grantor is a corporation) certifies in writing that the authority to sign shown by the power of attorney or other evidence is still in effect.

§ 47.15 Identification number.

(a) *Number required.* An applicant for Aircraft Registration must place a United States identification number ("registration mark") on his Aircraft Registration Application, AC Form 8050-1, and on any evidence submitted with the application. There is no charge for the assignment of numbers provided in this paragraph. This paragraph does not apply to an aircraft manufacturer who applies for a group of United States identification numbers under paragraph (c) of this section; a person who applies for a special identification number under paragraphs (d) through (g) of this section; or a holder of a Dealer's Aircraft Registration Certificate who applies for a temporary registration number under § 47.16.

(1) *Aircraft not previously registered anywhere.* The applicant must obtain the United States identification number from the FAA Aircraft Registry by request in writing describing the aircraft by make, type, model and serial number (or, if it is amateur-built, as provided in § 47.33(b) of this Part) and stating that the aircraft has not previously been registered anywhere. If the aircraft was brought into the United States from a foreign country, the applicant must submit evidence that the aircraft has never been registered in a foreign country.

(2) *Aircraft last previously registered in the United States.* Unless he applies for a different number under paragraphs (d) through (g) of this section, the applicant must place the United States identification number that is already assigned to the aircraft on his application and the supporting evidence.

(3) *Aircraft last previously registered in a foreign country.* Whether or not the foreign registration has ended, the applicant must obtain a United States identification number from the FAA Aircraft Registry for an aircraft last previously registered in a foreign country, by request in writing describing the aircraft by make, model, and serial number, accompanied by—

(i) Evidence of termination of foreign registration in accordance with § 47.37(b) of this Part or the applicant's affidavit showing that foreign registration has ended; or

(ii) If foreign registration has not ended, the applicant's affidavit stating

that the number will not be placed on the aircraft until foreign registration has ended.

Authority to use the identification number obtained under subparagraph (1) or (3) of this paragraph expires 90 days after the date it is issued unless the applicant submits an Aircraft Registration Application, AC Form 8050-1, and complies with § 47.33 or § 47.37, as applicable, within that period of time. However, the applicant may obtain an extension of this 90-day period from the FAA Aircraft Registry if he shows that his delay in complying with that section is due to circumstances beyond his control.

(b) A United States identification number may not exceed five symbols in addition to the prefix letter "N". These symbols may be all numbers (N 10000), one to four numbers and one suffix letter (N 1000A), or one to three numbers and two suffix letters (N 100AB). [The letters "I" and "O" may not be used. The first zero in a number must always be preceded by at least one of the numbers 1 through 9.]

(c) An aircraft manufacturer may apply to the FAA Aircraft Registry for enough United States identification numbers to supply his estimated production for the next 18 months. There is no charge for this assignment of numbers.

(d) Any unassigned United States identification number may be assigned as a special identification number. An applicant who wants a special identification number or wants to change the identification number of his aircraft may apply for it to the FAA Aircraft Registry. The fee required by § 47.17 must accompany the application.

(e) [Revoked]

(f) The FAA Aircraft Registry assigns a special identification number on AC Form 8050-64. Within 5 days after he affixes the special identification number to his aircraft, the owner must complete and sign the receipt contained in AC Form 8050-64, state the date he affixed the number to his aircraft, and return the original form to the FAA Aircraft Registry. The owner shall carry the duplicate of AC Form 8050-64 and the present Certificate of Aircraft Registration in the aircraft as temporary authority to operate it. This temporary authority is valid until the date the owner receives the revised Certificate of Aircraft Registration issued by the FAA Aircraft Registry.

(g) [Revoked]

(h) A special identification number may be reserved for no more than one year. If a person wishes to renew his reservation from year to year, he must apply to the FAA Aircraft Registry for renewal and submit the fee required by § 47.17 for a special identification number.

§ 47.16 Temporary registration numbers.

(a) Temporary registration numbers are issued by the FAA to manufacturers, distributors, and dealers who are holders of Dealer's Aircraft Registration Certificates for temporary display on aircraft during flight allowed under Subpart C of this Part.

(b) The holder of a Dealer's Aircraft Registration Certificate may apply to the FAA Aircraft Registry for as many temporary registration numbers as are necessary for his business. The application must be in writing and include—

(1) Sufficient information to justify the need for the temporary registration numbers requested; and

(2) The number of each Dealer's Aircraft Registration Certificate held by the applicant.

There is no charge for these numbers.

(c) The use of temporary registration numbers is subject to the following conditions:

(1) The numbers may be used and reused—

(i) Only in connection with the holder's Dealer's Aircraft Registration Certificate;

(ii) Within the limitations of § 47.69 where applicable, including the requirements of § 47.67; and

(iii) On aircraft not registered under Subpart B of this Part or in a foreign country, and not displaying any other identification markings.

(2) A temporary registration number may not be used on more than one aircraft in flight at the same time.

(3) Temporary registration numbers may not be used to fly aircraft into the United States for the purpose of importation.

(d) The assignment of any temporary registration number to any person lapses upon the expiration of all of his Dealer's Aircraft Registration Certificates. When a temporary registration number is used on a flight outside the United States for delivery purposes, the holder shall record the assignment of that number to the aircraft and shall keep that record for at least one year after the removal of the number from that aircraft. Whenever the owner of an aircraft bearing a temporary registration number applies for an airworthiness certificate under Part 21 of this chapter he shall furnish that number in the application. The temporary registration number must be removed from the aircraft not later than the date on which either title or possession passes to another person.

§ 47.17 Fees.

(a) The fees for applications under this Part are as follows:

(1) Certificate of Aircraft Registration (each aircraft)..... $ 5.00

(2) Dealer's Aircraft Registration Certificate..... $10.00

(3) Additional Dealer's Aircraft Registration Certificate (issued to same dealer) ..... $ 2.00

(4) Special identification number (each number $10.00

(5) Changed, reassigned, or reserved identification number..... $10.00

(6) Duplicate Certificate of Registration ..... $ 2.00

(b) Each application must be accompanied by the proper fee, that may be paid by check or money order to the Federal Aviation Administration.

[§ 47.19 FAA Aircraft Registry.

[Each application, request, notification, or other communication sent to the FAA under this Part must be mailed to the FAA Aircraft Registry, Department of Transportation, Post Office Box 25504, Oklahoma City, Oklahoma 73125, or delivered to the Registry at 6400 South MacArthur Boulevard, Oklahoma City, Oklahoma.]

Subpart B—Certificates of Aircraft Registration

§ 47.31 Application.

(a) Each applicant for a Certificate of Aircraft Registration must submit the following to the FAA Aircraft Registry—

(1) The original (white) and one copy (green) of the Aircraft Registration Application, AC Form 8050–1;

(2) The original Aircraft Bill of Sale, AC Form 8050–2, or other evidence of ownership authorized by § 47.33, 47.35, or 47.37 (unless already recorded at the FAA Aircraft Registry); and

(3) The fee required by § 47.17.

The FAA rejects an application when any form is not completed, or when the name and signature of the applicant are not the same throughout.

(b) After he complies with paragraph (a) of this section, the applicant shall carry the second duplicate copy (pink) of the Aircraft Registration Application, AC Form 8050–1, in the aircraft as temporary authority to operate it without registration. This temporary authority is valid until the date the applicant receives the Certificate of the Aircraft Registration, AC Form 8050–3, or until the date the FAA denies the application, but in no case for more than 90 days after the date the applicant signs the application. If by 90 days after the date the applicant signs the application, the FAA has neither issued the Certificate of Aircraft Registration nor denied the application, the FAA Aircraft Registry issues a letter of extension that serves as authority to continue to operate the aircraft without registration while it is carried in the aircraft.

(c) Paragraph (b) of this section applies to each application submitted under paragraph (a) of this section, and signed after October

5,1967. If, after that date, an applicant signs an application and the second duplicate copy (pink) of the Aircraft Registration Application, AC Form 8050-1, bears an absolute statement limiting its validity to 30 days, the applicant may strike out the number "30" on that form, and insert the number "90" in place thereof.

§ 47.33 Aircraft not previously registered anywhere.

(a) [A person] who is the owner of an aircraft that has not been registered under the Federal Aviation Act of 1958, under other law of the United States, or under foreign law, may register it under this Part if he—

(1) Complies with §§ [47.3, 47.7, 47.8, 47.9,] 47.11, 47.13, 47.15, and 47.17 [as applicable]; and

(2) Submits with his application an Aircraft Bill of Sale, AC Form 8050-2, signed by the seller, an equivalent bill of sale, or other evidence of ownership authorized by § 47.11.

(b) If, for good reason, the applicant cannot produce the evidence of ownership required by paragraph (a) of this section, he must submit other evidence that is satisfactory to the Administrator. This other evidence may be an affidavit stating why he cannot produce the required evidence, accompanied by whatever further evidence is available to prove the transaction.

(c) The owner of an amateur-built aircraft who applies for registration under paragraphs (a) and (b) of this section must describe the aircraft by class (airplane, rotorcraft, glider, or balloon), serial number, number of seats, type of engine installed (reciprocating, turbopropeller, turbojet, or other), number of engines installed, and make, model, and serial number of each engine installed; and must state whether the aircraft is built for land or water operation. Also, he must submit as evidence of ownership an affidavit giving the United States identification number, and stating that the aircraft was built from parts and that he is the owner. If he built the aircraft from a kit, the applicant must also submit a bill of sale from the manufacturer of the kit.

(d) The owner, other than the holder of the type certificate, of an aircraft that he assembles from parts to conform to the approved type design, must describe the aircraft and engine in the manner required by paragraph (c) of this section, and also submit evidence of ownership satisfactory to the Administrator, such as bills of sale, for all major components of the aircraft.

§ 47.35 Aircraft last previously registered in the United States.

(a) [A person] who is the owner of an aircraft last previously registered under the Federal Aviation Act of 1958, or under other law of the United States, may register it under this Part if he complies with §§ [47.3, 47.7, 47.8, 47.9,] §§ 47.11, 47.13, 47.15, and 47.17 [as applicable], and submits with his application an Aircraft Bill of Sale, AC Form 8050-2, signed by the seller or an equivalent conveyance, or other evidence of ownership authorized by § 47.11:

(1) If the applicant bought the aircraft from the last registered owner, the conveyance must be from that owner to the applicant.

(2) If the applicant did not buy the aircraft from the last registered owner, he must submit conveyances or other instruments showing consecutive transactions from the last registered owner through each intervening owner to the applicant.

(b) If, for good reason, the applicant cannot produce the evidence of ownership required by paragraph (a) of this section, he must submit other evidence that is satisfactory to the Administrator. This other evidence may be an affidavit stating why he cannot produce the required evidence, accompanied by whatever further evidence is available to prove the transaction.

§ 47.37 Aircraft last previously registered in a foreign country.

(a) A person who is the owner of an aircraft last previously registered under the law of a foreign country may register it under this Part if he—

(1) Complies with §§ 47.3, 47.7, 47.8, 47.9, 47.11, 47.13, 47.15, and 47.17 as applicable;

(2) Submits with his application a bill of sale from the foreign seller or other evidence satisfactory to the Administrator that he owns the aircraft; and

(3) Submits evidence satisfactory to the Administrator that—

(i) If the country in which the aircraft was registered has not ratified the Convention on the International Recognition of Rights in Aircraft (4 U.S.T. 1830), the foreign registration has ended or is invalid; or—

(ii) If that country has ratified the Convention, the foreign registration has ended or is invalid, and each holder of a recorded right against the aircraft has been satisfied or has consented to the transfer, or ownership in the country of export has been ended by a sale in execution under the terms of the Convention.

(b) For the purposes of subparagraph (a)(3) of this section, satisfactory evidence of termination of the foreign registration may be—

(1) A statement, by the official having jurisdiction over the national aircraft registry of the foreign country, that the registration has ended or is invalid, and showing that official's name and title and describing the aircraft by make, model, and serial number; or

(2) A final judgment or decree of a court of competent jurisdiction that determines, under the law of the country concerned, that the registration has in fact become invalid.

§ 47.39 Effective date of registration.

(a) Except for an aircraft last previously registered in a foreign country, an aircraft is registered under this subpart on the date and at the time the FAA Aircraft Registry receives the documents required by § 47.33 or 47.35.

(b) An aircraft last previously registered in a foreign country is registered under this subpart on the date and at the time the FAA Aircraft Registry issues the Certificate of Aircraft Registration AC Form 8050-3, after the documents required by § 47.37 have been received and examined.

§ 47.41 Duration and return of Certificate.

(a) Each Certificate of Aircraft Registration issued by the FAA under this subpart is effective, unless suspended or revoked, until the date upon which—

(1) Subject to the Convention on the International Recognition of Rights in Aircraft when applicable, the aircraft is registered under the laws of a foreign country;

(2) The registration is canceled at the written request of the holder of the Certificate;

(3) The aircraft is totally destroyed or scrapped;

(4) Ownership of the aircraft is transferred;

(5) The holder of the Certificate loses his United States Citizenship; or

(6) 30 days have elapsed since the death of the holder of the Certificate;

(7) The owner, if an individual who is not a citizen of the United States, loses status as a resident alien, unless that person becomes a citizen of the United States at the same time; or

(8) If the owner is a corporation other than a corporation which is a citizen of the United States—

(i) The corporation ceases to be lawfully organized and doing business under the laws of the United States or any State thereof; or

(ii) A period described in § 47.9(b) ends and the aircraft was not based and primarily used in the United States during that period.

(9) If the trustee in whose name the aircraft is registered—

(i) Loses United States citizenship;

(ii) Loses status as a resident alien and does not become a citizen of the United States at the same time; or

(iii) In any manner ceases to act as trustee and is not immediately replaced by another who meets the requirements of § 47.7(c).

(b) The Certificate of Aircraft Registration, with the reverse side completed, must be returned to the FAA Aircraft Registry—

(1) In case of registration under the laws of a foreign country, by the person who was the owner of the aircraft before foreign registration;

(2) Within 60 days after the death of the holder of the Certificate, by the administrator or executor of his estate or by his heir-at-law if no administrator or executor has been or is to be appointed; or

(3) Upon the termination of the registration, by the holder of the Certificate of Aircraft Registration in all other cases mentioned in paragraph (a) of this section.

§ 47.43 Invalid registration.

(a) The registration of an aircraft is invalid if, at the time it is made—

(1) The aircraft is registered in a foreign country;

(2) The applicant is not the owner;

(3) The applicant is not qualified to submit an application under this Part; or

(4) The interest of the applicant in the aircraft was created by a transaction that was not entered in good faith, but rather was made to avoid (with or without the owner's knowledge) compliance with § 501 of the Federal Aviation Act of 1958 (49 U.S.C. 1401).

(b) If the registration of an aircraft is invalid under paragraph (a) of this section, the holder of the invalid Certificate of Aircraft Registration shall return it as soon as possible to the FAA Aircraft Registry.

§ 47.44 [Reserved.]

§ 47.45 Change of address.

Within 30 days after any change in his permanent mailing address, the holder of a Certificate of Aircraft Registration for an aircraft shall notify the FAA Aircraft Registry of his new address. A revised Certificate of Aircraft Registration is then issued, without charge.

§ 47.47 Cancellation of Certificate for export purpose.

(a) The holder of a Certificate of Aircraft Registration who wishes to cancel the Certificate for the purpose of export must submit to the FAA Aircraft Registry—

(1) A written request for cancellation of the Certificate describing the aircraft by make, model, and serial number, stating the United States identification number and the country to which the aircraft will be exported; and

(2) [Evidence satisfactory to the Administrator that each holder of recorded right has been satisfied or has consented to the transfer.]

(b) The FAA notifies the country to which the aircraft is to be exported of the cancellation by ordinary mail, or by airmail at the owner's request. The owner must arrange and pay for the transmission of this notice by means other than ordinary mail or airmail.

§ 47.49 Replacement of Certificate.

(a) If a Certificate of Aircraft Registration is lost, stolen, or mutilated, the holder of the Certificate of Aircraft Registration may apply to the FAA Aircraft Registry for a duplicate Certificate, accompanying his application with the fee required by § 47.17.

(b) If the holder has applied and has paid the fee for a duplicate Certificate of Aircraft Registration and needs to operate his aircraft before receiving it, he may request a temporary Certificate. The FAA Aircraft Registry issues a temporary Certificate by a collect telegram, to be carried in the aircraft. This temporary Certificate is valid until he receives the duplicate Certificate of Aircraft Registration.

[§ 47.51 Triennial Aircraft Registration Report.

[(a) Unless one of the registration activities listed in paragraph (b) of this section has occurred within the preceding 36 calendar months, the holder of each Certificate of Aircraft Registration issued under this subpart shall submit, on the form provided by the FAA Aircraft Registry and in the manner described in paragraph (c) of this section, a Triennial Aircraft Registration Report, certifying—

[(1) The current identification number (registration mark) assigned to the aircraft;

[(2) The name and permanent mailing address of the certificate holder;

[(3) The name of the manufacturer of the aircraft and its model and serial number;

[(4) Whether the certificate holder is—

[(i) A citizen of the United States;

[(ii) An individual citizen of a foreign country who has lawfully been admitted for permanent residence in the United States; or

[(iii) A corporation (other than a corporation which is a citizen of the United States) lawfully organized and doing business under the laws of the United States or any State thereof; and

[(5) Whether the aircraft is currently registered under the laws of any foreign country.

[(b) The FAA Aircraft Registry will forward a Triennial Aircraft Registration Report to each holder of a Certificate of Aircraft Registration whenever 36 months has expired since the latest of the following registration activities occurred with respect to the certificate holder's aircraft:

[(1) The submission of an Application for Aircraft Registration.

[(2) The submission of a report or statement required by § 47.9(f).

[(3) The filing of a notice of change of permanent mailing address.

[(4) The filing of an application for a duplicate Certificate of Aircraft Registration.

[(5) The filing of an application for a change of aircraft identification number.

[(6) The submission of an Aircraft Registration Eligibility, Identification, and Activity Report, Part 1, AC Form 8050-73, under former § 47.44.

[(7) The submission of a Triennial Aircraft Registration Report under this section.

[(c) The holder of the Certificate of Aircraft Registration shall return the Triennial Aircraft Registration Report to the FAA Aircraft Registry within 60 days after issuance by the FAA Aircraft Registry. The report must be dated, legibly executed, and signed by the certificate holder in the manner prescribed by § 47.13, except that any co-owner may sign for all co-owners.

[(d) Refusal or failure to submit the Triennial Aircraft Registration Report with the information required by this section may be cause for suspension or revocation of the Certificate of Aircraft Registration in accordance with Part 13 of this chapter.]

Subpart C—Dealers' Aircraft Registration Certificate

§ 47.61 Dealers' Aircraft Registration Certificates.

(a) The FAA issues a Dealer's Aircraft Registration Certificate, AC Form 8050-6, to manufacturers and dealers so as to—

(1) Allow manufacturers to make any required flight tests of aircraft.

(2) Facilitate operating, demonstrating, and merchandising aircraft by the manufacturer or dealer without the burden of obtaining a Certificate of Aircraft Registration for each aircraft with each transfer of ownership, under Subpart B of this Part.

(b) A Dealer's Aircraft Registration Certificate is an alternative for the Certificate of Aircraft Registration issued under Subpart B of this Part. A dealer may, under this subpart, obtain one or more Dealer's Aircraft Registration Certificates in addition to his original Certificate, and he may use a Dealer's Aircraft Registration Certificate for any aircraft he owns.

§ 47.63 Application.

A manufacturer or dealer that wishes to obtain a Dealer's Aircraft Registration Certificate, AC Form 8050-6, must submit—

(a) An application for Dealers' Aircraft Registration Certificates, AC Form 8050-5; and

(b) The fee required by § 47.17.

§ 47.65 Eligibility.

To be eligible for a Dealer's Aircraft Registration Certificate, a person must have an established place of business in the United States, must be substantially engaged in manufacturing or selling aircraft, and must be a citizen of the United States, as defined by § 101(13) of the Federal Aviation Act of 1958 (49 U.S.C. 1301.

§ 47.67 Evidence of ownership.

Before using his Dealer's Aircraft Registration Certificate for operating an aircraft, the holder of the Certificate (other than a manufacturer) must send to the FAA Aircraft Registry evidence satisfactory to the Administrator that he is the owner of that aircraft. An Aircraft Bill of Sale, or its equivalent, may be used as evidence of ownership. There is no recording fee.

§ 47.69 Limitations.

A Dealer's Aircraft Registration Certificate is valid only in connection with use of aircraft—

(a) By the owner of the aircraft to whom it was issued, his agent or employee, or a prospective buyer, and in the case of a dealer other than a manufacturer, only after he has complied with § 47.67;

(b) Within the United States, except when used to deliver to a foreign purchaser an aircraft displaying a temporary registration number and carrying an airworthiness certificate on which that number is written;

(c) While a Certificate is carried within the aircraft; and

(d) On a flight that is—

(1) For required flight testing of aircraft; or

(2) Necessary for, or incident to, sale of the aircraft.

However, a prospective buyer may operate an aircraft for demonstration purposes only while he is under the direct supervision of the holder of the Dealer's Aircraft Registration Certificate or his agent.

§ 47.71 Duration of Certificate; change of status.

(a) A Dealer's Aircraft Registration Certificate expires 1 year after the date it is issued. Each additional certificate expires on the date the original certificate expires.

(b) The holder of a Dealer's Aircraft Registration Certificate shall immediately notify the FAA Aircraft Registry of any of the following—

(1) A change of his name;

(2) A change of his address;

(3) A change that affects his status as a citizen of the United States; or

(4) The discontinuance of his business.

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